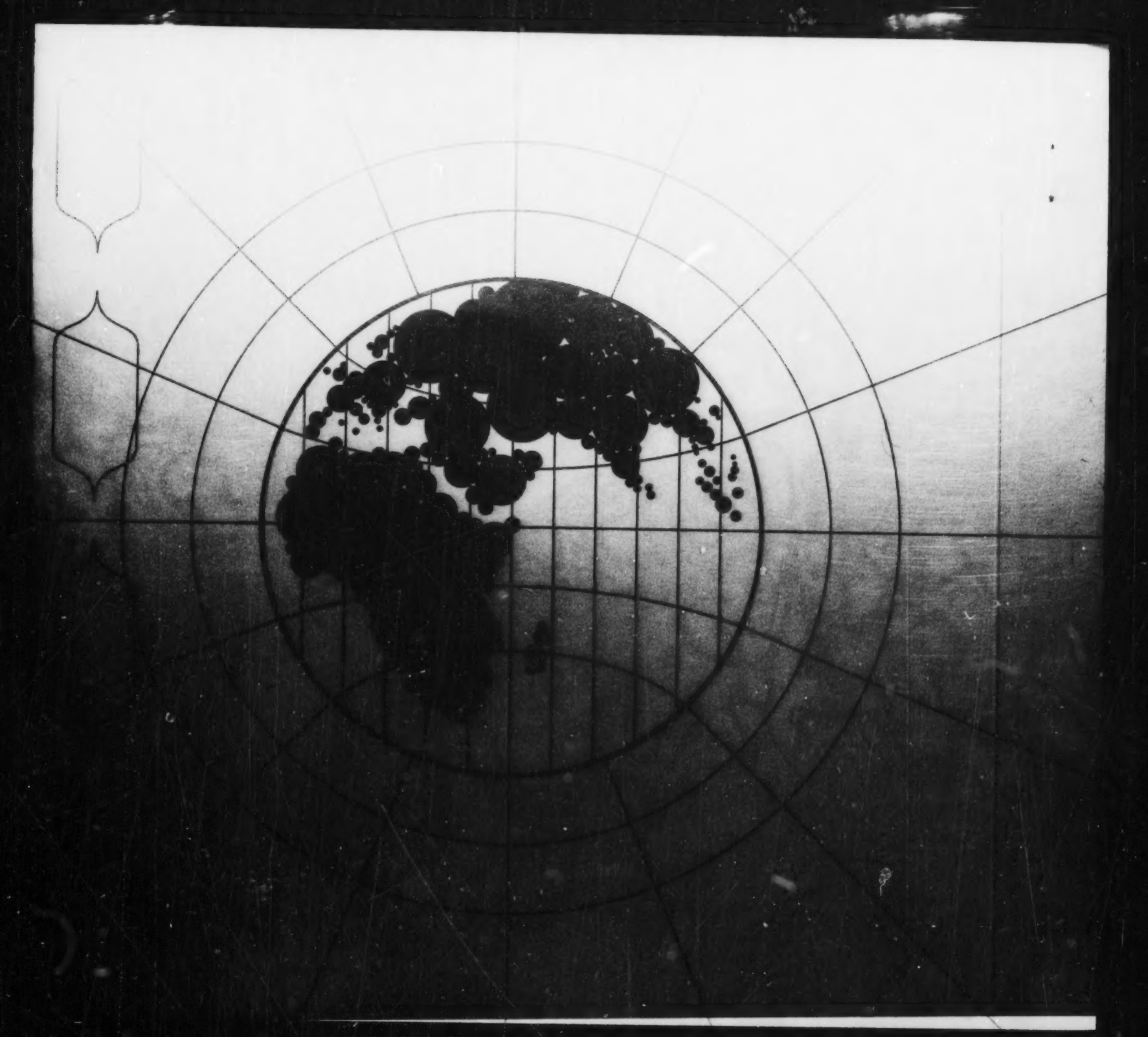
the future is here and now



The mission of the Société générale de financement du Québec (SGF)

as an industrial and financial holding company, is to carry out economic

development projects, especially in the industrial sector, in cooperation with

partners and in accordance with accepted requirements for profitability that

comply with the economic development policy of the Government of Québec.

FINANCIAL HIGHLIGHTS

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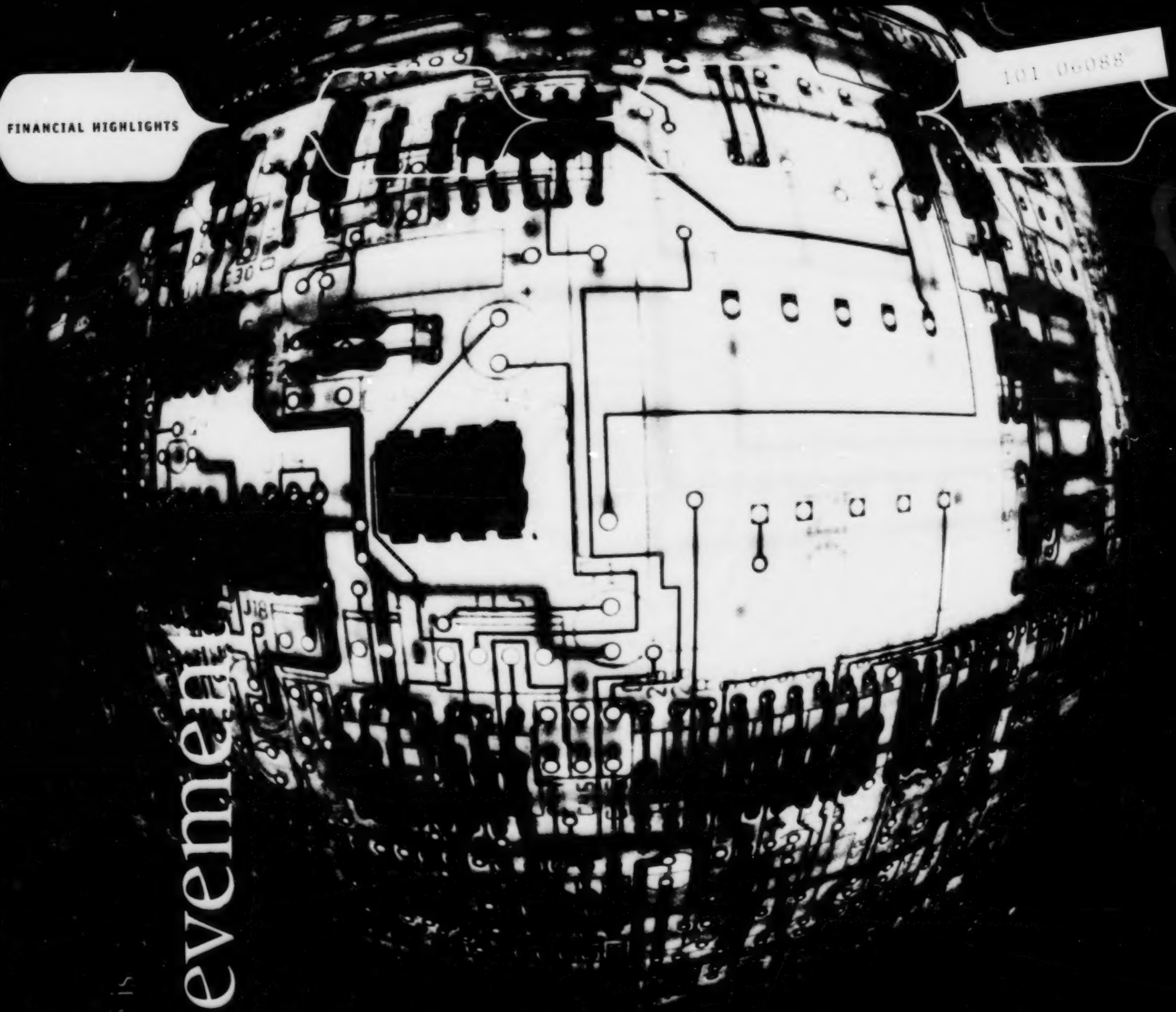
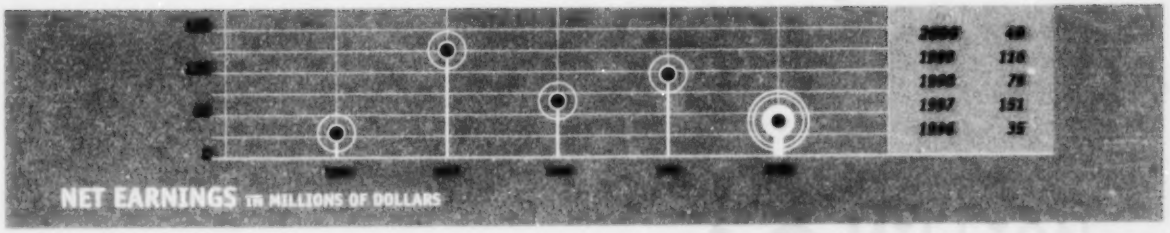


the future is
achievement

FINANCIAL HIGHLIGHTS

(IN MILLIONS OF DOLLARS)

	2000	1999
OPERATIONS		
Revenue	802.4	800.6
Operating income, excluding corporate expenses	14.0	35.0
Net earnings	49.0	115.8
FINANCIAL CONDITION		
Additions to capital assets	272.0	162.4
Business acquisitions and long-term investments	167.3	272.2
Total assets	2,272.7	1,955.3
Long-term investments	893.1	692.1
Capital assets	905.3	740.4
Total long-term debt	324.5	273.2
Shareholder's equity	1,727.8	1,510.6
Debt/equity ratio	16:84	15:85



FINANCIAL HIGHLIGHTS

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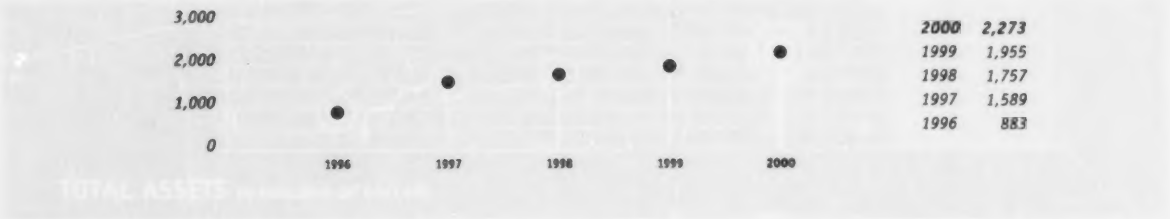
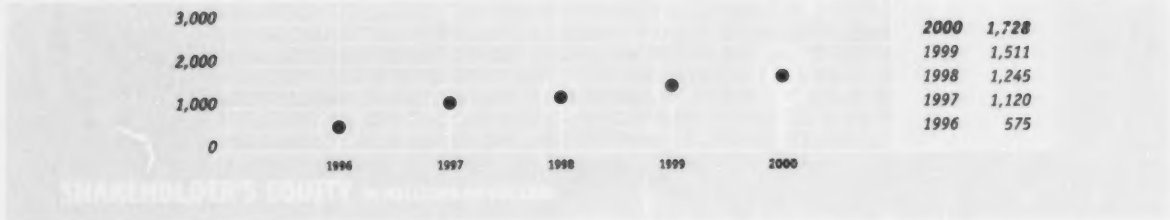
Debt/equity ratio	16:84	15:85

2000	49
1999	116
1998	79
1997	151
1996	35



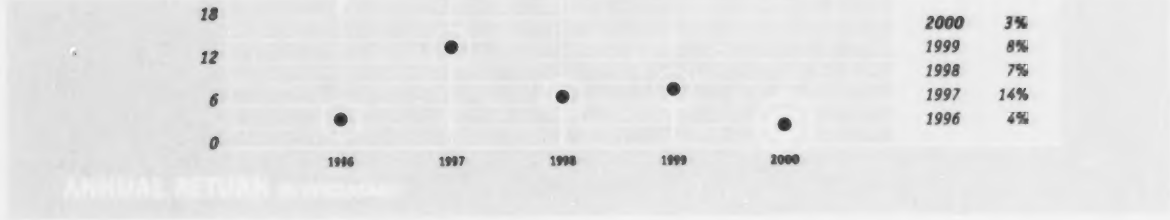
2000	2,273
1999	1,955
1998	1,757
1997	1,589
1996	883

TOTAL ASSETS



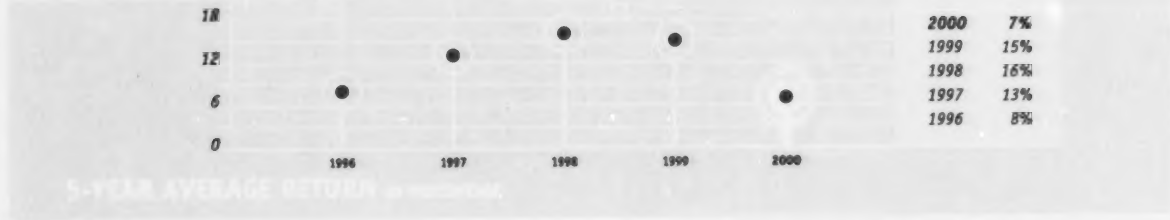
2000	1,728
1999	1,511
1998	1,245
1997	1,120
1996	575

SHAREHOLDER'S EQUITY



2000	3%
1999	8%
1998	7%
1997	14%
1996	4%

ANNUAL RETURN

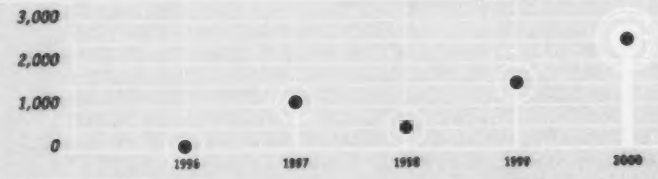


2000	7%
1999	15%
1998	16%
1997	13%
1996	8%

5-YEAR AVERAGE RETURN

METALS AND MINERALS	FOREST PRODUCTS	CHEMICALS, PETROCHEMICALS, PLASTICS AND ENERGY	AGRI-FOOD	HIGH TECHNOLOGY	HEALTH	OTHER
$674,186 29.7%	$654,092 28.8%	$449,915 19.8%	$209,682 9.2%	$148,503 6.5%	$134,901 5.9%	$1,410 0.1%

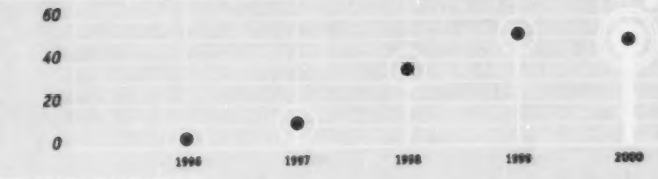
DISTRIBUTION OF TOTAL ASSETS BY SECTOR IN THOUSANDS OF DOLLARS



2000	2,456
1999	1,525
1998	400
1997	1,100
1996	78

TOTAL INVESTMENTS IN THOUSANDS OF DOLLARS

2,456 MILLION



2000	49
1999	52
1998	36
1997	11
1996	4

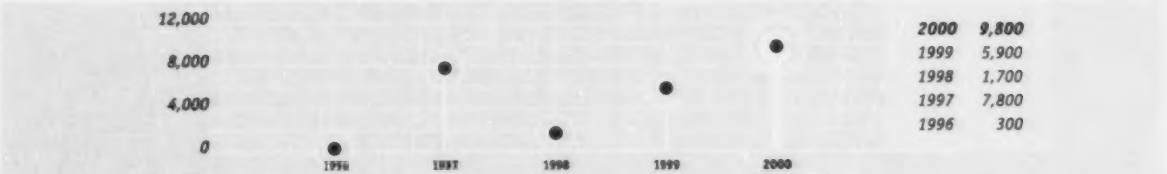
PROJECTS IMPLEMENTED

49 PROJECTS

2000	10,200
1999	5,000
1998	4,200
1997	2,000
1996	800

DIRECT AND INDIRECT JOBS CREATED IN THOUSANDS

10,200 JOBS



2000	9,800
1999	5,900
1998	1,700
1997	7,800
1996	300

DIRECT AND INDIRECT JOBS CREATED

The knowledge-based economy
Our holdings in this sector posted favourable results. In fact, in 1999 and 2000, 60% of the jobs we helped create were in high-knowledge-based industries.

2000	HIGH	AVERAGE	LOW
10,200	5,800	4,100	300

1999	5,000
High	3,250
Average	1,700
Low	50

DIRECT AND INDIRECT JOBS CREATED

Note: The above data reflect projects for which agreements were concluded between the SGF and its partners during one year. Investment and job creation may spread over a number of years as projects move from construction to operating phases.

the future is
a clear vision
MESSAGE

the future
is here
and now

the future is a clear vision

The fiscal year 2000 allowed the Société générale de financement du Québec (the SGF) to make progress in the realization of its five-year plan adopted in 1998, to increase its economic pace of activity and to set in motion well-defined projects in its targeted sectors of activity. In light of the progress achieved, we are confident that we will meet our five-year forecasts, which include partnering to invest $10 billion in the Quebec economy. The results we present in this report speak for themselves: the number of companies in our portfolio has almost increased fivefold since 1997, jumping from 28 to 125, while the investments generated for the year 2000 alone increased 61%, representing 132% of the annual objective targeted.

Notwithstanding this growth, we have remained faithful to our core mission, which is to realize economic development projects in accordance with the policy established by our shareholder, while adhering to clearly defined return parameters. In addition, these projects are systematically implemented with private-sector partners – who hold a majority interest in the company – both in order to share the financial risks inherent in such investments and to ensure we benefit from specific expertise or technological transfers vital to assuring success.

BUSINESS DEVELOPMENT

Once again, the SGF succeeded in reaching new heights in its investment efforts. This year, its board approved projects that will translate into investments of $2.5 billion. The SGF's participation in investments rose to $585 million. In comparison, during the 1999 fiscal year, these efforts led to total investments of $1.5 billion, including $362 million of our own funds. The number of projects involved remained relatively stable at 49 compared to 52, which illustrates the larger scope of the projects undertaken.

Nevertheless, to gain a better appreciation of the activities our business development team has been involved in, it is useful to examine the preliminary agreements endorsed by the SGF with potential partners during the year. In 2000, 103 new memorandums of understanding were signed. These agreements which incorporate total possible investments of $4.2 billion are in addition to 80 agreements in principle that were already included in the portfolio at the beginning of 2000. As a rule, at this stage of project evolution, the SGF expects to realize one in three such agreements. At the end of the fiscal period, our pipeline included 87 memorandums of understanding with a realization value estimated at $8.5 billion.

In addition, 15 new foreign partners entered into business associations with us in 2000. Our international network has thus burgeoned and stands today at 53 companies, and important ones at that, in 17 countries on four continents. Within the context of market globalization, this translates into an added advantage for the SGF in its objective to optimize the development of the Quebec economy.

While job creation remains a secondary factor of our investments, the fiscal period ending December 31 nonetheless saw highly impressive results in this area. Our new investment projects contributed to the creation of 10,200 direct and indirect jobs as well as 10,000 job-equivalent person-years in the construction and implementation phases of the industrial projects we were involved in. In addition to the satisfaction we feel in having had a positive impact on Quebec's gross domestic product and the ongoing fight against unemployment, we are particularly proud of the extent to which these statistics represent quality jobs for Quebec workers.

The outlook for the 2001 fiscal year is equally encouraging, for in the first quarter of the new year alone, the board of directors authorized projects leading to a total of $740 million in investments.

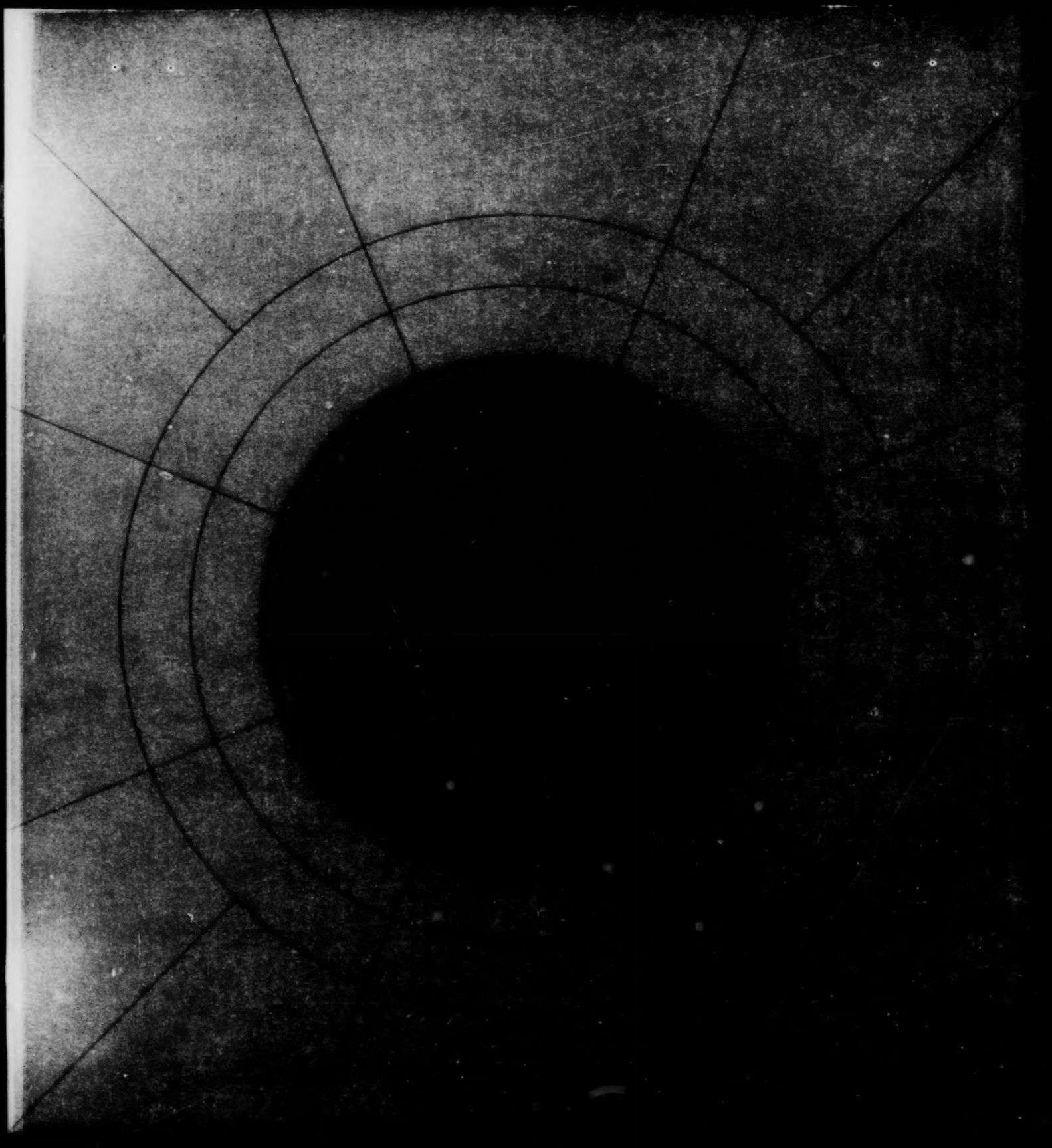
PROFITABILITY

In the midst of an accelerated phase of development, the SGF saw its net consolidated earnings decrease to $49.0 million, as anticipated. One year earlier, we had posted earnings of $115.8 million. However, if the Culinar transaction executed in 1999 is excluded, net earnings remain virtually the same in both years. The annual return on shareholder's equity stood at 3.0% for 2000 and should be regarded within the context of a significant, rapid growth of the SGF's assets and against a backdrop of a market that showed signs of slowing down, with the exception of energy, in the natural resources sectors.

A closer look at the two principal factors influencing the SGF's current rate of return reveals that:

1. Its portfolio is comprised of investments in 125 Quebec companies. Close to 32% of money invested by the SGF supports new companies in the construction or start-up phase. Certain projects that were under construction as of December 31, 2000, are of a significant size. Métallurgie Magnola, Circuit Foil America, Turbocor and Société de cogénération de Saint-Félicien, for example, are among those in this category. In fact, more than fifty companies we are currently involved in did not exist in 1997.

It is understandable that many of the companies in our current portfolio are under development and therefore not showing earnings, as they are not yet generating sales. In addition, another segment of companies that have recently become part of our portfolio are in their initial years of operation and are therefore not yet in full operation. It should also be remembered that one of our mandates is to attract in Quebec companies that bring something previously lacking to our economic base, either through the introduction of new technology or through production not currently found in the province.



2. Economic conditions affect the results of companies in our portfolio that are already in full operation. The second half of the 1990s saw exceptional global demand and a stellar performance by the world's financial markets, but by mid-2000 we were witnessing signs of a slowdown. It came as the price of natural resources began to descend, with energy prices all the while on the upswing. Companies and partners of the SGF in sectors linked to natural resources felt the full effect this dichotomy had on the markets.

Moreover, at the same time a stock market correction occurred that mainly affected companies linked to new technology. A number of new economy corporations listed on the stock exchange and in which we have invested were hit hard by the downslide.

Finally, the return does not take into account the market value of the portfolio, except for the portion posted as venture capital investments, which represented only 8% of assets in 2000.

In light of these elements, the five-year return, which stands at 7%, is a more fitting measure of our performance. When studied over a longer period, it takes into account company start-ups, the development of those in our portfolio, their operating results, and the gains realized by the SGF at the time it divested itself of its investments.

A FEW NOTEWORTHY EVENTS

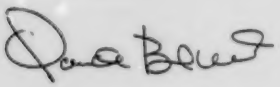
Among the highlights of the SGF's 2000 fiscal period, I must mention initiatives taken by three of our subsidiaries. Firstly, SGF Chemical put in place key elements that will lead to the establishment of a true petrochemical industry in Quebec. Among its investment projects, which totalled more than a billion dollars in 2000, two in particular stood out: Interquisa Canada and Coastal Petrochemical. Together, these two companies will participate in the diversification of East Montreal's petrochemical park and in doing so will strengthen Quebec's position in this industry.

Subsidiaries SGF Tech and SGF Health were also very active, as is evident in their contribution to projects of more than $650 million. Behind this interest in leading-edge sectors is the SGF's solid support of its shareholder's policy to accelerate Quebec's transition to the knowledge economy. Notwithstanding the stock market's buffeting of companies in this sector, we remain firmly convinced of the long-term advantages of staying with this strategy. Value-added, financially rewarding jobs for Quebecers will ultimately result.

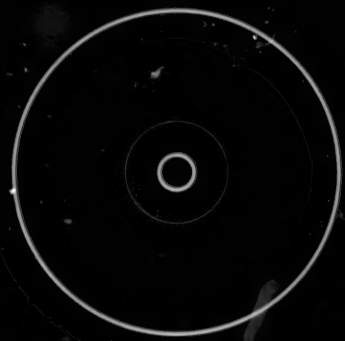
The attention given to this sector has led us to acknowledge that many of Quebec's researchers, scientists, engineers and other professionals had already taken the initiative, in many cases without waiting for a helping hand, to gain a stronger foothold on the national or international stage. The spirit of entrepreneurship and innovation is alive and well in Quebec, as is the legendary dynamism of our industry leaders.

Finally, the SGF has, for a number of years, worked with a team of seasoned consultants and experts, to whom I wish to express my heartfelt appreciation. Thanks to the expertise and support of the members of our board of directors and the six advisory boards we established to guide our business decisions, our company has benefited from unparalleled wisdom that has resulted in investments that are both well-directed and solid.

I would like to take this opportunity to mention that our board of directors has had the privilege of welcoming three eminent individuals, Philip Engelhardt, Thomas Hecht and Dr. Rudolph Hanisch. Their extensive experience in international commerce will guide us in many of our projects requiring an in-depth understanding of global issues. I also wish to thank Serge Godin and Stéphane Saint-Onge, who left the board of directors this year. Both contributed significantly to the SGF's strategic and investment decisions.



Claude Blanchet
Chairman of the Board
President and Chief Executive Officer



FOR THE COMPLETE REVIEW OF ACTIVITIES, PLEASE CONSULT THE CD-ROM.

the review at a glance

CHEMICALS · PETROCHEMICALS PLASTICS AND ENERGY

At the end of the 2000 fiscal period, the SGF had approved seven projects in the chemical, petrochemical, plastics and energy sector for investments totalling more than $1 billion. The SGF's contribution to these projects stood at $225M. These investments led to the creation of 3,900 direct and indirect jobs and to 6,300 person-years during construction phases.

METALS AND MINERALS

Seven projects in the SGF's metals and minerals sector were approved during the 2000 fiscal period. Investments totalled $482.6M, of which the SGF contributed $94M. Two thousand direct and indirect jobs are linked to these projects as well as the equivalent of 1,100 person-years during the construction phase.

HIGH TECHNOLOGY

Eight high technology sector projects were approved during the 2000 fiscal period, representing investments totalling $358M, with the SGF contributing close to $140M. A total of 2,100 direct and indirect jobs are linked to these projects, as well as 560 person-days for the construction phases.

HEALTH

The year 2000 was particularly active and productive for SGF Health, with more than $45M injected into five new projects and two companies in its portfolio, for investments totalling $290M. This led to the creation of 700 direct and indirect jobs and to the equivalent of 1,000 jobs person-years during the construction phase.

FOREST PRODUCTS

During the 2000 fiscal period, the SGF approved nine projects in its forest products sector representing a total of almost $93M in new investments, with the SGF's contribution totalling more than $16M. These projects are expected to create 740 direct and indirect jobs as well as 470 jobs in equivalent person-years during the construction phase.

AGRI-FOOD

During 2000, the SGF approved eight projects for its subsidiary SGF Soquia, representing total investments of $70.4M. The SGF's portion of the total stands at $22.7M.

MACHINERY

The machinery sector signed six MOUs during 2000, representing potential investments of $ 204M.

INDUSTRIAL LOGISTICS

The office of the Vice-President, Industrial Logistics for the SGF is currently in search of partners interested in implementing turnkey distribution centres in Quebec. The competitive advantages offered by Quebec with respect to access to land, water and air transportation infrastructures make the development of such partnerships attractive business ventures.

TRANSPORTATION MATERIAL

Development of the SGF's transportation material sector focuses mainly on the implementation of modular system assembly and sub-assembly projects, as well as on the consolidation and development of equipments and parts subcontractors for the aeronautical and automobile industries.

RECREATIONAL TOURISM

During the 2000 fiscal year, the SGF's recreational tourism sector concluded its major project with the opening of Metaforia, gateway to Oceania, a unique virtual 2D and 3D sensory experience.

AUSTRALIA AUSTRIA FRANCE GERMANY GREAT BRITAIN IRELAND ITALY JAPAN LUXEMBOURG
NETHERLANDS NORWAY SPAIN SWITZERLAND TAIWAN UNITED ARAB EMIRATES UNITED STATES VENEZUELA

partnerships

Business partnerships are an integral part of the SGF's mission statement. The 2000 fiscal period was particularly active in this respect, with the company establishing solid business relationships with 15 new foreign partners. This brings the total to 53 international partnerships the SGF now maintains in Canada, the United States and around the world.

the future i
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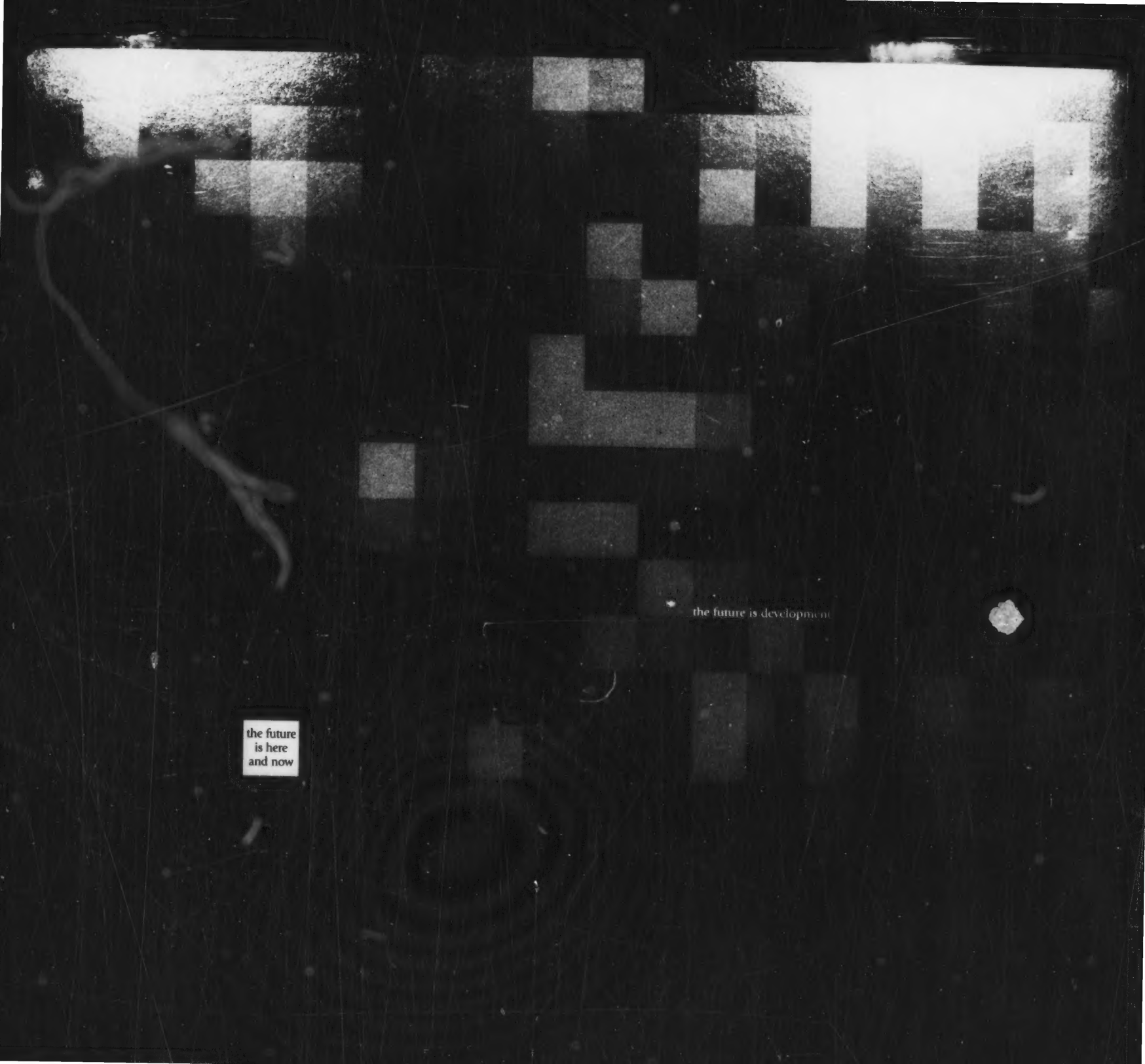
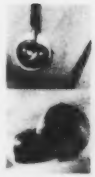

the future is development
the future
is here
and now

DOMTAR INC.	George Weston Ltd.	19.80
	CDPQ	17.69
	Ris Paper Company Inc.	1.09
	Public	41.27
	SGF Rexfor inc.	20.15
LES PRODUITS FORESTIERS BELLERIVE KA'N'ENDA INC.		
	SGF Rexfor inc.	100
PRODUITS FORESTIERS ST-ALPHONSE INC.		
	SGF Rexfor inc.	100
MDF LA BAIE INC.	Uniboard Canada inc. *(Germany)*	50.01
	Sodexpan inc.	
	Sodexfor, L.P.	24.995
	SGF Rexfor inc.	24.995
F.F. SOUCY INC. & ASSOCIÉS	F.F. Soucy inc.	50.1
	Dow Jones Newsprint Company Inc. *(United States)*	39.9
	SGF Rexfor inc.	10
SACOPAN INC.	Boisaco inc.	43.48
	Investra (1985) inc.	6.52
	SGF Rexfor inc.	50
DENHARCO INC.	Solidarity Fund QFL	72.05
	Garantie-Québec	7.40
	SGF Rexfor inc.	20.55
GROUPE PYROVAC INC.	Sodexfor, L.P.	20
	Université Laval	6
	Gestion Omnivac inc.	4.9
	Private investors	49.1
	SGF Rexfor inc.	20
CONCERT AIRLAID LTÉE	Concert industries Ltd.	52.5
	SGF Rexfor inc.	47.5
TECHNOLOGIE ELCORSY INC.	Investissements Castegnier inc.	55.26
	Toyo ink MFG Co. Ltd. *(Japan)*	34.21
	SGF Rexfor inc.	10.53
LA COMPAGNIE J. FORD LTÉE	Groupe Cédrico inc.	82.46
	Coop. des papetiers de Portneuf	3.64
	SGF Rexfor inc.	13.90
REXFORÊT INC.	SGF Rexfor inc.	100

NSI COMMUNICATIONS INC.	Pinetree Capital Corp.	7.9
	Private investor	5.3
	Manitex Capital inc.	3.5
	Other	46.6
	SGF Tech inc.	36.7
GOAL SEMICONDUCTOR INC.	Vision 2000 (Mosel Vitelic) *(Taiwan)*	48.72
	Private investors	6.54
	SGF Tech inc.	44.74
DOMOSYS CORPORATION	Battery Enterprises Inc.	15.38
	Consultmar	10.10
	Appalaches Innovatech	10.12
	Other	35.54
	SGF Tech inc.	28.86
ALIS TECHNOLOGIES INC.	Grebco Holdings Ltd. *(United States)*	11.63
	Soc. Orgepro S.A. *(France)*	6.15
	Robnar Investments Ltd.	4.05
	Corporate investors	22.97
	Other	39.65
	SGF Tech inc.	15.55
GROUPE MOLI-FLEX WHITE, L.P.	Studio Ciné-Cité St-Hubert inc.	60
	SGF Tech inc.	40
CDT ACQUISITION CORPORATION	Kelso & Company	43.90
	Founders and other	26.70
	Hillman CDT LLC	
	Hillman Management LLC *(Great Britain)*	10.06
	Hollinger	3.87
	SGF Tech inc.	15.47
CIRCUIT FOIL AMERICA, L.P.	Circuit Foil Luxembourg Trading *(Luxembourg)*	51
	SGF Tech inc.	49
TECHNOLOGIES MIRANDA INC.	Investissement Desjardins inc.	13.50
	Business Development Bank of Canada	13.50
	Founders	52.68
	SGF Tech inc.	20.32
ELYPS SOLUTIONS DE RÉPARTITION INC.	Founder	42.25
	CDPQ	28.40
	FGRCR/STCUM	7.52
	Solidarity Fund QFL	7.52
	Com2i et Cie SCA *(France)*	6.79
	SGF Tech inc.	7.52
NETERGY NETWORKS INC.	S.T. Microelectronics N.V. *(France)*	14.7
	Other	79.7
	SGF Tech inc.	5.6

ANDROMED INC.	Theratechnologies inc.	50
	SGF Health inc.	50
DSM BIOLOGICS HOLDINGS INC.	DSM Fine Chemicals B.V. (*Netherlands*)	60
	SGF Health inc.	40
THERATECHNOLOGIES INC.	Public	74.6
	Private investor	8.1
	Fidelity Investments Limited	5.1
	Global Asset Management	3.6
	SGF Health inc.	8.6
INFECTIO DIAGNOSTIC (I.D.I.) INC.	Infectio Recherche inc.	37.6
	Compensation BNC inc.	24.4
	Other	15.8
	SGF Health inc.	22.2
BIO-INOVA LIFE SCIENCE NORTH AMERICA INC.	Gestion Bio-Inova (*France*)	55
	SGF Health inc.	45
ULTRAVISION CORPORATION	Canadian Medical Discoveries Fund Ltd.	17.4
	Solidarity Fund QFL	14.8
	Other	35.2
	SGF Health inc.	32.6
CORPORATION HAEMACURE	Public	62.3
	ZLB Bioplasma A.G. (*Switzerland*)	19.0
	Multipède Holdings inc.	4.4
	BioCapital	2.9
	SGF Health inc.	11.4
DRAXIS PHARMA INC.	Draxis Health Inc.	65.9
	Others	2.2
	SGF Health inc.	31.9
BIO ARTIFICIAL GEL TECHNOLOGIES INC. (BAGTECH)	Private investors	40.3
	Fonds régional de solidarité, Île de Montréal	21.2
	Finedix B.V. (*Netherlands*)	13.0
	Solidarity Fund QFL	3.7
	Other	6.9
	SGF Health inc.	14.9
PROCREA BIOSCIENCES INC.	SPEQ	19
	98362 Canada inc.	12.57
	Private investor	10.74
	Les placements Péladeau inc.	7.88
	Sofinov inc.	7
	Innovatech du Grand Montréal	2.33
	Other	7.78
	SGF Health inc.	32.70
CRYOCATH TECHNOLOGIES INC.	Sofinov inc.	11.15
	Other	75.47
	SGF Health inc.	13.38
GENECHEM THÉRAPEUTIQUES, L.P.	Bombardier pension fund	14.65
	Biochem Pharma	10.99
	Solidarity Fund QFL	10.99
	Bimcor inc.	10.99
	Other	45.05
	SGF Health inc.	7.33
RTP PHARMA INC.	Cato Group	23.69
	Elan International Servias Ltd. (*Ireland*)	25.96
	Sofinov inc.	14.17
	Innovatech du Grand Montréal	8.50
	EGS Private Healthcare, L.P.	5.02
	BioCapital, L.P.	4.80
	Other	9.36
	SGF Health inc.	8.50
QUÉBEC PORCINE INSEMINATION CENTRE (C.I.P.Q.) INC.	SGF Soquia inc.	100
VETERINARY MEDICINE DISTRIBUTION CENTRE (C.D.M.V.) INC.	SGF Soquia inc.	100
ALIMENTS CARRIÈRE INC.	Placements Géros inc.	39.23
	Capital Desjardins, L.P.	13.92
	Private investors	14.43
	SGF Soquia inc.	32.42
GESTION GROUPE R.T. (1996) LTÉE	Private investor	51.11
	Capital CDPQ inc.	15.34
	Accès Capital inc.	14.38
	SGF Soquia inc.	19.17
ENTREPRISES CHAMPOST INC.	Private investor	45.35
	Other	24.33
	SGF Soquia inc.	30.32
LES COMPOSTS DU QUÉBEC INC.	Private investor	50.11
	Recyc-Québec	14.78
	Fonds Agro-forestier, L.P.	13.74
	SGF Soquia inc.	21.37
LES FRUITS BLEUS INC.	Les Bleuetières Senco inc.	43.96
	Soccrent, L.P.	28.57
	SGF Soquia inc.	27.47

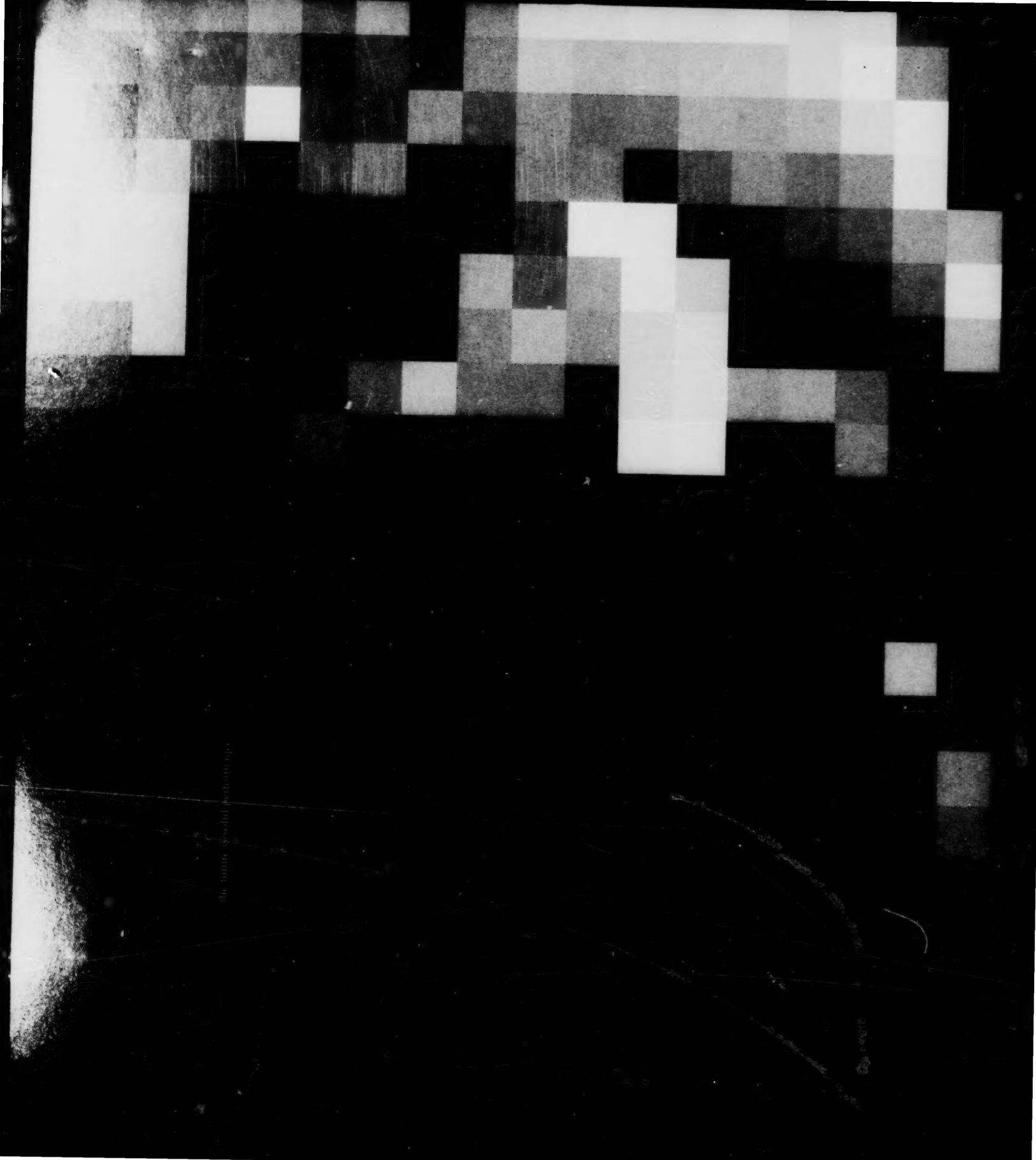


ÉPICERIE MÉDITERRANÉENNE INC.	Private investor	60
	SGF Soquia inc.	40
PATRIMOINE DES EAUX DU QUÉBEC INC.	Patrimoine des Eaux du Canada inc.	65
	SGF Soquia inc.	35
LES PÊCHERIES MARINARD LTÉE	Gestion Groupe R.T. (1996) Ltée	61.42
	CDPQ	20
	Private investors	8.58
	SGF Soquia inc.	10
CANNEBERGES ATOKA INC.	Private investors	79.86
	SGF Soquia inc.	20.14
GRT AQUA-TECHNOLOGIES LTÉE	Gestion Groupe R.T. (1996) Ltée	51.81
	SGF Soquia inc.	48.19
SAPUTO GROUP INC.	Saputo Family	67.9
	Public	27.2
	SGF Soquia inc.	4.9
LA MAISON DU GIBIER INC.	Private investors	80
	SGF Soquia inc.	20
INTERNOVA INC.	Private investors	70
	SGF Soquia inc.	30
ATRIUM BIOTECHNOLOGIES INC.	Les Laboratoires Æterna inc.	63.64
	Solidarity Fund QFL	10.45
	Fonds d'investissement bioalimentaire	1.36
	SGF Soquia inc.	24.55
FORAGEN TECHNOLOGIES, L.P.	Royal Bank Ventures inc.	33.33
	Saskatchewan Opportunities Corporation and Crown Investments Corporation of Saskatchewan	33,33
	SGF Soquia inc.	33.33
MÉTAFORIA DIVERTISSEMENT INC.		
	Private investors	50
	SGF	50

SOQUIP ÉNERGIE INC.	SGF Chemical inc.	100
SOCIÉTÉ DE COGÉNÉRATION DE ST-FÉLICIEN, L.P.	CHI Canada inc.	59.9
	Centrale thermique St-Félicien	4.0
	Soquip Énergie inc. (SGF Chemical inc.)	36.1
INTRAGAZ, L.P.	GDF Québec inc. *(France)*	40
	Soquip Énergie inc. (SGF Chemical inc.)	60
OPTIGAZ INC.	CHI Canada inc. *(United States)*	60
	Soquip Énergie inc. (SGF Chemical inc.)	40
PÉTROMONT, L.P.	Dow Chemical Company *(United States)*	50
	SGF Chemical inc.	50
PETRESA CANADA INC.	Petresa America inc. *(Spain)*	51
	SGF Chemical inc.	49
KARBOMONT, L.P.	Kvaerner Canada inc. *(Norway)*	50
	SGF Chemical inc.	50
KEMFOR, L.P.	Produits Forestiers Turpin inc.	33.3
	Kemestrie inc.	33.3
	SGF Chemical inc.	33.3
SOL PLASTIQUES, L.P.	Misol Technologies B.V. *(Venezuela)*	55.0
	Solidarity Fund QFL	22.5
	SGF Chemical inc.	22.5
TECHBLEND, L.P.	Marfed Holdings inc.	85
	SGF Chemical inc.	15
PÉTROCHIMIE COASTAL, L.P.	El Paso Corporation *(United States)*	51
	SGF Chemical inc.	49
INTERQUISA CANADA L.P.	Groupe CEPSA, S.A. *(Spain)*	51
	SGF Chemical inc.	49
VÉZINA COMPOSITES INC.	Norshield Capital Management Corp.	33.33
	Private investor	33.33
	SGF Chemical inc.	33.33

ALBECOUR INC.	SGF Mineral inc.	100
ALUMINERIE ALOUETTE	Austria Metal *(Austria)*	20
	Corus Group plc *(Great Britain)*	20
	Kobe Steel *(Japan)*	13.33
	Marubeni *(Japan)*	6.67
	VAW *(Germany)*	20
	Albecour inc. (SGF Mineral inc.)	20
CORUS, PRODUITS D'ALUMINIUM LAMINÉ, L.P.	Corus Group plc *(Great Britain)*	60
	SGF Mineral inc.	40
INTRAL, L.P.	Sural Canada inc. *(Venezuela)*	51
	SGF Mineral inc.	49
PHILLIPS-FITEL INC.	Furukawa Electric Co. Ltd. *(Japan)*	55
	SGF Mineral inc.	45
NEUMAN USA LTD.	Fried V. Neuman *(Austria)*	60
	SGF Mineral inc.	40
NEUMAN ALUMINIUM CANADA INC.	Neuman Holding Canada inc. *(Austria)*	60
	SGF Mineral inc.	40
SOCIÉTÉ DE DÉVELOPPEMENT DU MAGNÉSIUM INC.	Solidarity Fund QFL	33.3
	Sofinov inc.	33.3
	SGF Mineral inc.	33.3
ALTEX EXTRUSION INC.	Metra SpA *(Italy)*	55.0
	Olex inc.	22.5
	SGF Mineral inc.	22.5
MAG-NAT MÉTALLURGIE INC.	SGF Mineral inc.	100
MÉTALLURGIE MAGNOLA INC.	Noranda inc.	80
	Mag-Nat Métallurgie inc. (SGF Mineral inc.)	20
LAVALUM, L.P.	SNF Affinage inc.	60
	SGF Mineral inc.	40
KPM, AMÉRIQUE DU NORD L.P.	KPM SpA *(Italy)*	51
	SGF Mineral inc.	49
SOQUEM INC.	SGF Mineral inc.	100
EXPLO-ZINC INC.	Soquem inc. (SGF Mineral inc.)	100
SITEC, L.P.	BQI	55
	Soquem inc. (SGF Mineral inc.)	45
SODÉMEX, L.P.	Capital d'Amérique CDPQ inc.	50
	Soquem inc. (SGF Mineral inc.)	50
GROUPE RENÉ MATÉRIAUX COMPOSITES INC.	Private investors	72.78
	Other	0.97
	SGF	26.25
TURBOCOR INC.	Turbocorp BV *(Australia)*	58
	SGF	42
INVESTISSEMENT NOVACAP INC.	National Bank of Canada	17.67
	CDPQ	17.67
	Canpen	17.67
	CBC pension fund	10.91
	Air Canada pension fund	5.29
	Pratt & Whitney pension fund	4.83
	Assurance-vie Desjardins-Laurentienne	5.65
	Boréal assurances inc.	2.11
	La Laurentienne Vie inc. pension fund	0.53
	SGF	17.67
NOVACAP II, L.P.	CDPQ	15.94
	Ass. de bienfaisance et de retraite des policiers de la CUM	6.38
	National Bank of Canada	6.38
	Régime des rentes du Mouvement Desjardins	6.38
	Canpen	7.17
	Solidarity Fund QFL	6.38
	Export Development Corporation	6.38
	CBC pension fund	6.38
	Université du Québec pension fund	6.38
	Université de Montréal pension fund	6.38
	Other	13.10
	SGF	12.75

the future is
solid performance



The rate of return of the SGF for the period 1996-2000 stood at 7.0%, a rate higher than the shareholder's cost of funds.

The Société générale de financement du Québec maintained its stride in the third investment year of its five-year development plan. In 2000, the company increased its investments in various sectors, both in the start-up of greenfield projects and in new economy companies focused on enhancing and increasing technology. Its portfolio rose from 106 investments in 1999 to 125 in 2000 (see table of companies according to accounting method used). We estimate that these new investments will increase the company's net earnings in the medium term. However, in 2000, the amount of shareholder's equity directed to development projects, as well as the low earnings common to companies in the start-up phase, affected the rate of return on the average shareholder's equity.

The SGF includes in its results the majority of earnings of companies in which it has invested, in proportion to its equity holdings, with the exception of investments where the SGF has only a modest influence (generally, this means with holdings less than 20%) and which do not constitute venture capital. It is clear that when a company is in a construction or development phase, indeed until beyond the start-up period, its initial results are not a reflection of its potential. Therefore, when a portfolio company such as the SGF rapidly increases the number of investments it makes in such companies, its own results are likewise lower. This is the case for the 2000 fiscal year, particularly as there were no major divestitures made. For this reason, the most appropriate measure of the company's return is based on a longer period of five years.

The accounting rate of return of the SGF is calculated as a function of the net earnings of the period over the average shareholder's equity for the same period. Therefore, with $49.0M in net earnings, the SGF posted a 3,0% rate of return for 2000. Excluding the equity committed to development in 2000, the net earnings on average shareholder's equity rises to an annual rate of 4.0%.

Based on a five-year period, the rate of return for 1996-2000 stands at 7.0%, a rate higher than the shareholder's borrowing rate. For the previous period, from 1995-1999, this rate stood at 15.0%, most notably due to the exceptional results achieved in 1995. The SGF had then recorded an annual rate of return of 46.1% with the sale of our 25% share in the Aluminerie Bécancour.

For the 1996-2000 period, it is important to highlight the significant increase in the number of projects undertaken and therefore in a development phase, and the reduced impact of the divestitures of assets on the total. Despite their enormous success, the profitable sale of Noverco in 1997 and Culinar in 1999 did not have the same effect as the sale of Bécancour, as the asset base of the SGF has since grown increasingly larger.

Finally, the operational costs incurred in carrying out this development plan have stabilized at a less than 2% of the average consolidated assets.

Companies according to accounting method

The SGF is much more than an investor. The company plays a crucial role in Quebec's economy in partnership with its co-investors. This unique relationship is reflected in, among other things, its financial results. In other words, the influence that the SGF exerts in terms of strategic orientation, development, investments, financing, the preparation of annual budgets, and in certain cases, operations, determines the accounting method used to record these companies' results.

Consequently, when the SGF has an exclusive controlling interest in another company, that company is considered an *SGF subsidiary* and all items in its financial statements are consolidated, line by line, with those of the SGF. At December 31, 2000, the SGF controlled 13 subsidiaries.

When the SGF has a minority interest in the equity of a company, as is generally the case, it nonetheless exercises joint influence and control. As these investments are recorded as *SGF joint ventures*, the 2000 results for each of the 29 joint ventures are consolidated proportionately with those of the SGF.

The SGF also has in its portfolio companies on which it exerts a significant influence. Every year, the SGF records its share of net earnings of these *significantly influenced* companies, which also affects the value of the SGF's 27 investments recorded on its balance sheet.

Certain investments, particularly in the health and high technology sectors, are similar to *venture capital* investments in that their value is not always associated with annual results. The SGF owns 17 such enterprises. In these cases, it is the change in their fair market value that will be recorded in the SGF's financial statements.

Finally, other *long-term investments*, recorded at cost, reflect the SGF's relatively modest influence. Some 39 enterprises fall under this category, and their results are not included in those of the SGF.

In order to provide the most complete information, the following table breaks down each investment by SGF sector and according to accounting method. Furthermore, the amount listed per sector reflects the net book value of the combined companies.

Please note that all highlighted titles indicate new investments for the year 2000.

COMPANIES ACCORDING TO ACCOUNTING METHOD USED

AS AT DECEMBER 31, 2000

	Subsidiaries	Joint ventures	Significantly influenced companies	Venture capital	Investments at cost
Forest products					
Les Produits Forestiers Bellerive Ka'N'Enda inc.	•				
Produits forestiers St-Alphonse inc.	•				
Rexforêt inc.	•				
Sacopan inc.		•			
Concert Airlaid Ltée		•			
Sodexpan inc. (MDF La Baie inc.)			•		
F.F. Soucy inc. & associés			•		
Groupe Pyrovac inc.			•		
Denharco inc.			•		
Domtar inc.			•		
La Compagnie J. Ford Ltée			•		
Technologie Elcorsy inc.				•	
Other *(12)*				•	
					Total **520.1**
Metals and minerals					
Albecour inc. (20% of Aluminerie Alouette)	•				
Soquem inc.	•				
Explo-Zinc inc.	•				
Sitec, L.P.			•		
Sodémex, L.P.			•		
Mines Jeffrey inc. *(royalties)*				•	
Mines McWatters inc. *(royalties)*				•	
Other *(11)*	•			•	
Mag-Nat Métallurgie inc. (20% of Magnola)	•				
Corus, L.P.		•			
IntrAl, L.P.		•			
Phillips-Fitel inc.		•			
Neuman U.S.A. Ltd.		•			
Neuman Aluminium Canada inc.		•			
Lavalum, L.P.		•			
KPM, Amérique du Nord, L.P.		•			
Société de développement du Magnésium inc.			•		
Altex Extrusion inc.			•		
					Total **514.1**

	Subsidiaries	Joint ventures	Significantly influenced companies	Venture capital	Investments at cost
Chemicals, petrochemicals, plastics and energy					
Pétromont, L.P.	•				
Pipeline Pétromont Enr.	•				
Petresa Canada inc.	•				
Karbomont, L.P.	•				
Kemfor, L.P.	•				
Coastal Petrochemicals, L.P.	•				
Interquisa Canada, L.P.	•				
Sol Plastiques, L.P.		•			
Vézina Composites inc.		•			
Techblend, L.P.		•			
Soquip Énergie inc.	•				
Soc. de Cogénération de St-Félicien, L.P.		•			
Intragaz, L.P.		•			
Optigaz inc.		•			
Other *(3)*	•	•			
					Total **292.0**
High technology					
Groupe Moli-Flex White, L.P.	•				
CFA, L.P.	•				
NSI Communications inc.		•			
Technologies Miranda inc.		•			
Goal Semiconductor inc.			•		
Domosys Corporation			•		
Alis Technologies inc.			•		
Elyps solutions de répartition inc.			•		
Hillman CDT LLC (CDT Acquisition Corporation)			•		
Netergy Networks inc.				•	
					Total **128.4**

	Subsidiaries	Joint ventures	Significantly influenced companies	Venture capital	Investments at cost
Agri-food					
C.I.P.Q. inc.	•				
C.D.M.V. inc.	•				
Aliments Carrière inc.			•		
Patrimoine des Eaux du Québec inc.			•		
Entreprises Champost inc.			•		
Les Composts du Québec inc.			•		
Canneberges Atoka inc.			•		
Les Fruits bleus inc.			•		
Gestion Groupe R.T. (1996) ltée			•		
Pêcheries Marinard ltée			•		
La Maison du Gibier inc.			•		
Épicerie Méditerranéenne inc.			•		
GRT Aqua-technologies ltée			•		
Atrium Biotechnologies inc.			•		
Internova inc.			•		
Foragen Technologies, L.P.				•	
Saputo Group inc.					•
Other *(9)*					•
					Total **182.2**

	Subsidiaries	Joint ventures	Significantly influenced companies	Venture capital	Investments at cost
Health					
Andromed inc.	•				
DSM Biologics Holdings inc.	•				
Bio-Inova Life Science North America inc.	•				
Draxis Pharma inc.	•				
Theratechnologies inc.					•
Corporation Haemacure				•	
RTP Pharma inc.				•	
Infectio Diagnostic (I.D.I.) inc.				•	
UltraVision Corporation				•	
CryoCath Technologies inc.				•	
Bio Artificial Gel Technologies inc. (BagTech inc.)				•	
Procrea Biosciences inc.				•	
GeneChem Therapeutiques, L.P.				•	
Other *(2)*					•
					Total **98.8**
Machinery					
Turbocor inc.	•				
Recreational tourism					
Métaforia Divertissement inc.	•				
Transportation material					
Groupe René Matériaux Composites inc.	•				
Other					
Investissement Novacap inc.				•	
Novacap II, L.P.				•	

Consolidated Net Earnings: Comparative Results for 2000 and 1999

The net consolidated earnings for the SGF totalled $49.0M, compared to $115.8M in 1999, which represents a decrease of $66.8M or 57.7%. In 1999, the company divested itself of its investment in Culinar. This transaction generated a gain on disposal of $67.7M, which to a great extent explains the decrease in the company's results compared to 1999. Had it not been for this transaction, the 2000 results would be comparable overall to those of 1999 ($49.0M versus $48.1M).

The breakdown of the SGF's net earnings by sector is as follows:

(IN MILLIONS OF DOLLARS)	*2000*	*1999*	*Variation*
NET EARNINGS BY SECTOR			
Forest products	**56.2**	53.8	2.4
Metals and minerals	**29.1**	11.7	17.4
Chemicals, petrochemicals, plastics and energy	**(8.9)**	18.7	(27.6)
Agri-food	**4.2**	75.4	(71.2)
High technology	**(2.1)**	(14.1)	12.0
Health	**(11.7)**	(13.2)	1.5
Other sectors in development	**(2.8)**	(6.4)	3.6
Subtotal	**64.0**	125.9	(61.9)
Corporate activities	**(15.0)**	(10.1)	(4.9)
Total	**49.0**	115.8	(66.8)

FOREST PRODUCTS

SGF Rexfor recorded net earnings of $56.2M in 2000, compared to $53.8M in 1999. Excluding gains on the disposal of certain investments, the sector's net earnings rose from $32.9M in 1999 to $51.4M in 2000, representing an increase of $18.5M.

Domtar's results played a key role in the overall positive results posted by this sector. SGF's share of Domtar's profits saw an increase of $24.2M, rising to $55.5M from $31.3M in 1999. This improvement results mainly from increases in the price of pulp, paper and packaging, the growth in value-added product shipments and a reduction in income tax expense. Nevertheless, the sector's results were negatively impacted by a significant rise in energy costs and considerably lower lumber prices.

With regards to industry consolidation, in February 2000, SGF Rexfor sold its stake in Malette Québec to Tembec, and in doing so posted a gain on disposal of $3.8M.

METALS AND MINERALS

SGF Mineral recorded net earnings of $29.1M in 2000, an increase of $17.4M or 148.7% when compared to 1999. This increase is mainly due to Albecour's solid performance during the year and profits realized upon liquidation of an investment.

Despite a slowdown in demand in the construction and commercial vehicle sectors during the fourth quarter of 2000, Albecour was able to benefit from a strong market during the first quarter, as well as from competitors' production cuts triggered by increased energy prices in the north-western United States. The subsequent rise in the price of aluminium in 2000 allowed Albecour to report a $9.6M increase in net earnings compared to 1999. Aluminium (average LME cash price) rose from US61.8¢/pound in 1999 to US70.3¢/pound in 2000.

In addition, SGF Mineral recorded an $8.0M profit on disposal by selling 20% of its share in the Corus joint venture. SGF Mineral continues to own 40% of this company.

CHEMICALS, PETROCHEMICALS, PLASTICS AND ENERGY

SGF Chemical ended the 2000 fiscal period with a net loss of $8.9M, compared to net earnings of $18.7M in 1999. Excluding an unusual expense in 2000 due to a reimbursement of $6.4M in financial assistance (SGF portion) recorded by Pétromont, the sector nonetheless saw a significant reduction of $21.1M in its net earnings.

The increased cost of raw materials had a negative impact on certain profit margins of Pétromont and Petresa, despite higher prices received for products sold. Both companies also saw lower sales volumes in 2000, due to less favourable market conditions in the case of Petresa and mechanical problems at Pétromont. Technical problems also delayed the launch of operations at the Karbomont plant and resulted in a sizeable loss for this company and indeed the entire sector.

The government financial assistance reimbursed in 2000 has been recorded in the results, as was done at the time it was received.

AGRI-FOOD

Net earnings of SGF Soquia totalled $4.2M, compared to $75.4M the year prior. It should be noted that in 1999, SGF Soquia sold its stake in Culinar, recording a gain on disposal of $67.7M. Had it not been for this gain and Culinar's contribution to the sector's net earnings, SGF Soquia's results would have remained at the same level as in 1999.

HIGH TECHNOLOGY

SGF Tech posted a loss of $2.1M in 2000, an improvement of $12.0M compared to 1999. The venture capital investment portfolio, which represents more than 50% of the net assets of the sector, contributed significantly to this improvement. In 2000, an unrealized gain of $1.3M on venture capital investments was recorded, while an unrealized loss of $7.5M was recorded during the prior fiscal period. In addition, in 1999, SGF Tech wrote off the development costs of two projects it decided not to pursue.

During the period, SGF Tech disposed of a venture capital investment in consideration of shares in a public corporation. This transaction generated a gain on disposal of $17.3M, diminished, however, by the provision for a permanent decline in value of $16.4M on the shares of the public corporation, given the stock market conditions. SGF Tech recorded a net profit of $0.9M on this transaction involving U|Force and Netergy Networks.

HEALTH

SGF Health posted a loss of $11.7M in 2000, a slight improvement over the $13.2M loss recorded in 1999.

In 2000, business development efforts undertaken in 1999 began to bear fruit for the joint venture DSM Biologics Holdings, which posted an improvement of $3.9M (SGF portion) in its net loss. The improvement is largely due to satisfaction on the part of existing customers, which translated into new orders being placed in 2000. In addition, the favourable results reflects the contribution of SGF's partner, who provides DSM Biologics Holdings with executives experienced in managing complex plants and controlling costs.

Nevertheless, the fair value assessment of venture capital investments in this sector led to a unrealized loss of $5.5M, compared to $3.4M in 1999.

OTHER SECTORS IN DEVELOPMENT

Other sectors in development include the results for the machinery, recreational tourism, transportation material, and industrial logistics industries, as well as for the investment in Novacap.

The $3.6M improvement in the results over 1999 rose principally from the unrealized gain of $2.4M on the investment in Novacap. This company is a venture capital and development capital leader with a pro-active approach to maximizing the value of associated companies.

Financial Position and Cash Flows

Again this year, the SGF saw solid growth in its balance sheet. Consolidated assets rose from $1,955.3M at the end of 1999 to $2,272.7M at December 31, 2000, which represents an increase of more than 16%. This increase is mainly attributable to the acquisition of long-term investments during the year and an increase in construction in progress for companies during the start-up phase, offset by the sale of certain interests in 2000. Shareholder's equity was $1,727.8M at December 31, 2000, compared to $1,510.6M in 1999, representing growth of 14.4%.

CASH FLOWS

The SGF's consolidated cash and cash equivalent decreased by $58.1M in 2000, bringing the total to $44.2M at December 31, 2000. This drop is mainly due to a decrease in profit margins and to cash directed to accelerated investment activities during the period.

Operating activities

Cash flows from operating activities stood at $33.6M in 2000, a decrease of $25.6M. The decline is due to a decrease in operating income, particularly in the chemical, petrochemical, plastics and energy sector, and the absence of operating income from interests that were sold.

Investment activities

Cash directed to investment activities stood at $368.1M for the period ending December 31, 2000. Cash was mainly put towards acquiring companies and making investments, as well as towards capital asset expenditures, which were partially offset by profits from the sale of companies and investments.

- The acquisition of companies and investments stood at $167.3M for the year. In 2000, the SGF directed a large portion of its investments, that is $78.0M or 47% of the year's acquisitions, to the knowledge economy with a view to promoting this important market. Among other large investments for 2000 was the purchase of royalties in mining companies valued at $27.0M. These mining royalties provide the right to collect revenues based on the fair market value of units produced. This type of investment allows the SGF to benefit from cash generated by a mining project, without being exposed to variations in the operating costs, capital expenditures or other obligations linked to the mining operation.
- The acquisition of capital assets and other investing activities totalled $272.0M and $40.0M respectively. This mainly reflects capital investments directed to the construction of new plants in various sectors, such as Sacopan and Concert Airlaid in the forest products sector ($45.8M); the Magnola plant in the metals and minerals sector ($62.5M); the Coastal and Interquisa plants in the chemical, petrochemical, plastics and energy sector ($89.2M); and CFA in the high technology sector ($14.6M). In addition, capital asset expenditures were incurred to increase the production capacity of certain companies in the portfolio, most notably Corus, Phillips-Fitel, Moliflex White and DSM Biologics Holdings.
- At December 31, 2000, the SGF committed to subscribing to long-term investments and making capital investments to construct or increase plant capacity of more than $100M. Moreover, in February 2001, the company announced an investment of $343M (its interest in a total investment of $700.0M) for the construction of a new production plant for purified terephthalic acid (PTA), a resin used in the production of plastics in the manufacturing of textile fibres, plastic bottles, wires, etc. The disbursements associated with this announcement will occur in 2001 and 2002.
- Profits from the sale of companies and investments totalled $52.0M and resulted mainly from the sale of a 20% stake in Corus as well as the sale of Malette Rexfor.

Financing activities

The SGF's financing activities resulted in a net inflow of $276.4M in 2000. This liquidity resulted mainly from the issuance of common shares and increases in the long-term debt during the period.

- The shareholder subscribed and paid for 20 million common shares at $10.00 each for a total of $200.0M. Hence, since the inception of the SGF, shareholder contributions have accounted for $1,273.0M of the $2,925.0M in authorized capital (as per recent legislative changes in 1998), leaving an available balance of $1,652.0M.
- The increase of $95.8M in the long-term debt resulted mainly from loans contracted to finance the construction or increase production at a number of plants. At December 31, 2000, the company held $263.0M in available capital through its long and short-term lines of credit, while the portion of long-term debt maturing within 12 months stood at $32.5M.

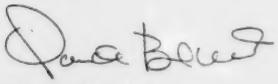
To the shareholder of Société générale de financement du Québec

In the discharge of its duties, the Board of Directors of Société générale de financement du Québec has delegated to its officers the preparation of its consolidated financial statements.

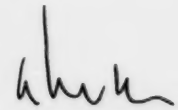
The consolidated financial statements for 2000 have been audited by an independent firm of auditors, PricewaterhouseCoopers LLP, before their presentation to the Board of Directors, which has approved them upon recommendation of the duly constituted and appointed Audit Committee.

The management believes that these statements have been prepared in accordance with generally accepted accounting principles. They take into consideration, within reasonable limits, all significant accounting policies referred to in the notes to the consolidated financial statements.

The information contained in this annual report is consistent with the consolidated financial statements included herein.



Claude Blanchet
Chairman of the Board,
President and Chief Executive Officer
May 11, 2001



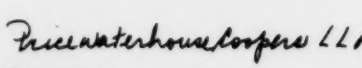
Daniel Paillé
Senior Vice-President and
Chief Financial Officer

To the Ministre de l'Industrie et du Commerce

We have audited the consolidated balance sheet of Société générale de financement du Québec as at December 31, 2000 and the consolidated statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Loi sur le vérificateur général* (L.R.Q., chapitre V – 5.01), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year, with the exception of the changes in accounting policies described in note 2.



Chartered Accountants
March 2, 2001

CONSOLIDATED STATEMENT OF EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2000

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
REVENUE *(note 4)*	802,419	800,641
OPERATING EXPENSES		
Cost of goods sold and services	651,681	631,750
Selling, general and administrative expenses	84,063	80,882
Amortization and depletion	52,659	52,992
	788,403	765,624
OPERATING INCOME, excluding corporate expenses	14,016	35,017
INVESTMENT INCOME		
Share of earnings in significantly influenced companies	50,253	33,711
Gain on disposal of joint ventures and long-term investments	30,979	89,472
Unrealized loss on venture capital investments	(2,227)	(10,129)
Provision for loss on other long-term investments	(21,154)	(8,639)
Dividend income	7,365	1,201
	65,216	105,616
EARNINGS BEFORE THE FOLLOWING ITEMS	79,232	140,633
FINANCIAL EXPENSES *(note 5)*	9,051	5,600
OTHER EXPENSES *(note 6)*	21,220	19,237
NET EARNINGS FOR THE YEAR *(note 4)*	48,961	115,796

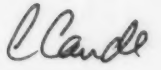
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2000

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
BALANCE – BEGINNING OF YEAR AS PREVIOUSLY REPORTED	435,430	319,634
Changes in accounting policies *(note 2)*	(32,999)	—
As restated	402,431	319,634
Net earnings for the year	48,961	115,796
BALANCE – END OF YEAR	451,392	435,430

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
ASSETS		
Current assets		
Cash and cash equivalents	44,175	102,248
Temporary investments	7,611	66,139
Accounts receivable	146,089	130,476
Inventories *(note 7)*	126,500	120,385
Prepaid expenses	4,830	4,903
Current portion of long-term investments	6,746	17,370
	335,951	441,521
Long-term investments *(note 8)*	886,382	674,755
Capital assets *(note 9)*	905,320	740,377
Other assets *(note 10)*	145,036	98,695
	2,272,689	1,955,348
LIABILITIES		
Current liabilities		
Bank loans	25,917	17,057
Accounts payable and accrued liabilities	148,887	150,751
Current portion of long-term debt	32,500	30,069
	207,304	197,877
Long-term debt *(note 11)*	291,975	243,152
Other long-term liabilities *(note 12)*	45,584	3,684
	544,863	444,713
SHAREHOLDER'S EQUITY		
Capital stock *(note 13)*	1,273,340	1,073,340
Retained earnings	451,392	435,430
Foreign currency translation adjustments	3,094	1,865
	1,727,826	1,510,635
	2,272,689	1,955,348

Approved by the Board of Directors

Francine Allaire
Director



Claude Lamonde
Director

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
CASH FLOWS PROVIDED BY (USED IN)		
Operating activities		
Net earnings for the year	48,961	115,796
Adjustments for		
Amortization and depletion	52,659	52,992
Share of earnings in significantly influenced companies	(50,253)	(33,711)
Gain on disposal of joint ventures and long-term investments	(30,979)	(89,472)
Provision for loss on long-term investments	23,381	18,768
Amortization of unrealized exchange loss	2,366	1,876
Loss on write-down and disposal of capital and other assets	6,230	2,894
Dividends received from significantly influenced companies	9,489	7,464
Capitalized interest on long-term investments	(3,696)	—
Employee future benefits	1,379	—
	59,537	76,607
Net change in non-cash working capital balances *(note 14)*	(25,948)	(17,425)
	33,589	59,182
Investing activities		
Temporary investments	58,528	(21,758)
Acquisitions of joint ventures and long-term investments *(notes 4 and 15)*	(167,270)	(272,156)
Disposal of joint ventures and long-term investments *(note 16)*	52,034	230,388
Additions to capital assets *(note 4)*	(271,996)	(162,362)
Disposal of capital assets	624	2,910
Other investing activities	(39,982)	(11,609)
	(368,062)	(234,587)
Financing activities		
Bank loans	9,670	7,285
Issuance of long-term debt	95,847	41,637
Repayment of long-term debt	(29,117)	(54,936)
Issuance of shares	200,000	150,000
	276,400	143,986
Net change in cash and cash equivalents during the year	(58,073)	(31,419)
Cash and cash equivalents – Beginning of year	102,248	133,667
Cash and cash equivalents – End of year	44,175	102,248
CASH AND CASH EQUIVALENTS ARE COMPRISED OF		
Cash on hand and bank balances	21,520	56,760
Short-term liquid investments	25,269	50,281
Bank overdrafts	(2,614)	(4,793)
	44,175	102,248
SUPPLEMENTAL DISCLOSURE		
Interest paid	14,659	15,782

1 Status and nature of activities

The company was created in 1962 under the "Loi sur la Société générale de financement du Québec", which was amended in 1996. The Government of Quebec is the shareholder. The purpose of the company is to carry out, in collaboration with partners and in accordance with accepted requirements of profitability, economic development projects in the industrial sector in conformity with the economic development policies of the Government of Quebec. It has established a presence notably in the agri-food, chemicals, petrochemicals, plastics and energy, high technology, industrial logistics, machinery and equipment, transportation, metals and minerals, forest products, recreational tourism and health industries.

2 Changes in accounting policies

On January 1, 2000, the company applied the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") regarding employee future benefits. The result of this change in accounting policy, which has been applied retroactively without restating the comparative figures, is an increase in accrued benefit assets of $2,689,000, an increase in accrued benefit liabilities of $13,588,000 and a decrease in retained earnings of $10,899,000. In addition, the company's investments in corporations subject to income taxes applied, as of January 1, 2000, the new CICA recommendation relating to income taxes. This change in accounting policy did not have any significant effect on the financial position of the company and the results of its operations, with the exception of the effect of the application of this recommendation by a significantly influenced company resulting in a decrease in retained earnings and in the investment in this company of $22,100,000. The application of these accounting standards did not have any material effect on the company's net earnings for the year ended December 31, 2000.

3 Significant accounting policies

CONSOLIDATION PRINCIPLES

These consolidated financial statements include the accounts of the Société générale de financement du Québec, its subsidiaries and joint ventures. The accounts of the subsidiaries are accounted for under the full consolidation method which consists in incorporating the financial statements of the subsidiary into the financial statements of the company on a line-by-line basis. The accounts of the company's joint ventures are accounted for using the proportionate consolidation method which involves recording the company's share of assets, liabilities and earnings of the joint venture. The earnings of subsidiaries and joint ventures are included in the consolidated financial statements as of their respective dates of acquisition and until their respective dates of disposition, if applicable.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Those estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings in the period in which they are known.

FAIR MARKET VALUE OF FINANCIAL INSTRUMENTS

The company has estimated the fair value of its financial instruments based on current interest rates, related market values and current pricing of financial instruments with comparable terms. The carrying value of these financial instruments, such as cash and cash equivalents, temporary investments, accounts receivable, bank loans, and accounts payable and accrued liabilities, approximates their fair value, unless otherwise indicated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank balances, short-term liquid investments with maturities of three months or less and bank overdrafts.

TEMPORARY INVESTMENTS

The temporary investments consist primarily of commercial paper and bankers' acceptances with maturities exceeding three months and are recorded at the lower of cost and market value.

Note 3 – Continued

INVENTORIES

Inventories are valued at the lower of cost and market value. Cost is determined by using the average cost method and the first-in, first-out method, and market value is defined as replacement cost or net realizable value.

LONG-TERM INVESTMENTS

The investments in which the company can exercise significant influence and which are not considered venture capital investments, are recorded using the equity method. This involves recording the company's share of the earnings of a significantly influenced company since the date of acquisition.

The investments in which the company does not exercise any control or significant influence are recorded at cost.

The investments in the form of purchased mining royalties are recorded at cost and are amortized on the basis of the units subject to royalties.

Speculative investments in companies for the purpose of supporting their development are considered venture capital investments and are recorded at their fair value which is determined by the company's management as follows:

- Listed shares are recorded based on the quoted market price. When this value does not adequately represent the fair value, such investments are evaluated using the same valuation method as for unlisted shares. Shares with quoted values but which have restricted negotiability or transferability are discounted. In determining the amount of this discount, the company takes into account the nature and duration of the restriction and the relative instability of the security price.
- Unlisted shares are recorded at cost, with the exception of cases where different values are established as a result of an independent valuation (performed in accordance with generally recognized valuation techniques), a significant arm's-length transaction, or an important change in the company's business.

If a permanent decline in value occurs, the company's policy is to write down the investment to its estimated net realizable value.

CAPITAL ASSETS

Capital assets are recorded at cost and include interest and administrative expenses incurred during the construction of plants. Amortization is calculated mainly using the straight-line method based on the following estimated useful lives, which is basically the same in each of the company's sectors of activity:

Building	10 to 40 years
Machinery and equipment	3 to 25 years
Other	3 to 10 years

No amortization is recorded on construction in progress.

MINING PROPERTIES

Mining properties include the costs pertaining to the exploration and development of the mineral sites. However, these cumulative costs do not necessarily represent the current or future value of the projects for which they were incurred and exclude the administrative costs associated with the development and exploration work, which are recorded in the income statement.

When a decision is made to commence operations, all costs pertaining to the mining properties are transferred to capital assets. However, when a project is abandoned, all costs relating thereto are written off during the year the abandonment occurred.

GOODWILL

Goodwill is amortized using the straight-line method over periods ranging from 5 to 33 years. Each year, the company reevaluates the value of goodwill based on projected cash flows. A provision is made for any permanent decline in value.

Note 3 – Continued

OPERATING LICENSES
The cost of operating licenses is capitalized and amortized over fifteen years upon commencement of operations.

START-UP COSTS
Start-up costs include certain financial and other costs incurred during the start-up phase of certain plants. These costs are amortized using the straight-line method over a period of three to five years.

FOREIGN CURRENCY
Monetary assets and liabilities resulting from foreign currency transactions are translated into Canadian dollars using the year-end exchange rates. Non-monetary assets and liabilities are translated at historical exchange rates, except for those of self-sustaining foreign joint ventures which are translated at the rate prevailing at the end of the year. Revenue and expenses are translated throughout the year at the exchange rates prevailing on the transaction dates. Exchange gains or losses are included in the calculation of net earnings for the year, with the exception of those resulting from the translation of long-term debt which is recorded as an unrealized gain or loss and amortized on a straight-line basis over the remaining life of the long-term debt.

The "Foreign currency translation adjustments" item in shareholder's equity primarily includes the exchange gains or losses arising from the translation of the investment in self-sustaining foreign joint ventures.

EMPLOYEE FUTURE BENEFITS
The cost of pension benefits and other retirement benefits provided in exchange for services rendered during the year is calculated using the projected benefit method prorated on years of service, and is based on management's best estimate of economic and demographic assumptions.

Past service costs arising from a plan amendment are amortized over the average remaining service period of active employees at the date of the plan amendment. The company amortizes the portion of actuarial gains and losses exceeding 10% of the greater of the accrued benefit obligation or the fair value of plan assets over the average remaining service period of active employees covered by the plans.

FINANCIAL INSTRUMENTS
The company uses derivative instruments to reduce the risks associated with fluctuations in foreign currency exchange rates, interest rates and aluminum prices.

Unrealized gains and losses on derivative instruments, except those used as hedges, are recognized in income in the current period. Unrealized gains and losses on derivative instruments which serve to hedge certain future identifiable risks are accounted for in the income statement along with the underlying items being hedged.

TAX STATUS
As it is government owned, neither the company nor its wholly owned subsidiaries are subject to income taxes.

4 Segmented information in summary form

The company has operating activities in ten sectors. As at December 31, 2000, most investments were in the following sectors: forest products, metals and minerals, chemicals, petrochemicals, plastics and energy, agri-food, high-technology and health. The other sectors have been grouped under Sectors in development.

(IN THOUSANDS OF DOLLARS)		*Revenue*	*Net earnings (loss)*	*Segment assets*	*Additions to capital assets*	*Acquisition of joint ventures and long-term investments*
Forest products	**2000**	**33,607**	**56,163**	**654,092**	**51,070**	**16,103**
	1999	131,964	53,763	640,423	14,698	10,331
Metals and minerals	**2000**	**275,467**	**29,070**	**674,186**	**89,109**	**36,990**
	1999	265,199	11,694	600,431	120,152	3,333
Chemicals, petrochemicals, plastics and energy	**2000**	**341,272**	**(8,871)**	**449,915**	**97,026**	**5,118**
	1999	289,323	18,730	338,684	14,263	6,949
Agri-food	**2000**	**113,952**	**4,238**	**209,682**	**3,334**	**19,536**
	1999	104,674	75,375	206,641	3,937	157,444
High technology	**2000**	**3,908**	**(2,095)**	**148,503**	**17,537**	**32,000**
	1999	2,470	(14,042)	92,622	3,988	56,444
Health	**2000**	**19,163**	**(11,738)**	**134,901**	**3,471**	**46,005**
	1999	7,011	(13,235)	75,178	1,424	26,589
Sectors in development	**2000**	**15,050**	**(2,812)**	**81,190**	**9,180**	**11,518**
	1999	—	(6,360)	35,313	441	11,066
Segment total	**2000**	**802,419**	**63,955**	**2,352,469**	**270,727**	**167,270**
	1999	800,641	125,925	1,989,292	158,903	272,156
Corporate activities	**2000**	**—**	**(14,994)**	**13,450**	**1,269**	**—**
	1999	—	(10,129)	95,342	3,459	—
Eliminations	**2000**	**—**	**—**	**(93,230)**	**—**	**—**
	1999	—	—	(129,286)	—	—
Consolidated total	**2000**	**802,419**	**48,961**	**2,272,689**	**271,996**	**167,270**
	1999	800,641	115,796	1,955,348	162,362	272,156

5 Financial expenses

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
Interest on long-term debt	**14,045**	13,220
Amortization of unrealized exchange loss	**2,366**	1,876
Reimbursement of financial assistance *(note 19 a))*	**6,375**	1,358
Other financial expenses	**1,632**	3,412
	24,418	19,866
Interest income	**(15,367)**	(14,266)
	9,051	5,600

6 Other expenses

(IN THOUSANDS OF DOLLARS)	2000	1999
Corporate expenses	17,910	16,184
Loss on write-down and disposal of capital and other assets	6,230	2,894
Income taxes	165	2,887
Non-controlling interest	—	459
Gain on sale of alumina contracts	(2,234)	(1,937)
Other	(851)	(1,250)
	21,220	19,237

7 Inventories

(IN THOUSANDS OF DOLLARS)	2000	1999
Raw materials and supplies	70,847	64,710
Work in process	22,043	21,953
Finished goods	33,610	33,722
	126,500	120,385

8 Long-term investments

	2000		1999	
(IN THOUSANDS OF DOLLARS)	Book value	Market value	Book value	Market value
Significantly influenced companies using equity method				
Domtar Inc.	363,412	492,414	342,802	621,423
NSI Communications Inc.	8,102	24,886	11,329	7,986
Other	104,697		75,582	
	476,211		429,713	
Venture capital, at fair value *(note 8 a))*	188,216		112,810	
At cost				
Groupe Saputo Inc.	99,995	90,734	99,995	88,354
Theratechnologies Inc.	13,820	28,856	7,500	6,580
Tembec Inc.				
Preferred shares	9,104		—	
7% Debentures	30,000		—	
Netergy Networks Inc.	8,462	3,962	—	
Mining royalties *(note 8 b))*	26,892		—	
Loans and debentures *(note 8 c))*				
Interest bearing	22,464		29,050	
Non-interest bearing	4,962		632	
Other *(note 8 c))*	13,002		12,425	
	228,701		149,602	
	893,128		692,125	
Less: Current portion	6,746		17,370	
	886,382		674,755	

a) As at December 31, 2000, the cost of venture capital investments is $202,563,000 (1999 – $124,440,000).
b) The mining royalties, having an original cost of $27,000,000, entitle the company to revenues based on number of units produced.
c) The fair value of other investments accounted for at cost is approximately equal to the book value.

9 Capital assets

(IN THOUSANDS OF DOLLARS)	Cost	Accumulated amortization and depletion	2000 Net	1999 Net
Forest products	110,572	19,422	91,150	111,733
Metals and minerals	588,621	142,611	446,010	388,347
Chemicals, petrochemicals, plastics and energy	459,301	173,537	285,764	200,885
Agri-food	18,696	7,912	10,784	9,593
High technology	26,939	1,147	25,792	7,173
Health	28,086	3,416	24,670	15,498
Sectors in development	17,407	2,736	14,671	363
Other	14,216	7,737	6,479	6,785
	1,263,838	358,518	905,320	740,377

Capital assets include construction in progress amounting to $370,181,000 as at December 31, 2000 (1999 – $141,340,000).

10 Other assets

(IN THOUSANDS OF DOLLARS)	2000	1999
Mining properties	41,032	39,607
Goodwill	31,710	28,769
Operating licenses	25,148	9,294
Start-up costs	23,112	13,126
Accrued benefit asset *(note 20)*	6,576	—
Land held for development project	5,624	—
Unrealized exchange loss	3,815	2,064
Other	8,019	5,835
	145,036	98,695

11 Long-term debt

(IN THOUSANDS OF DOLLARS)	2000	1999
Revolving bank loan at prime rate or LIBOR plus 0.35% to 0.55%, maturing in 2003 *(note 11 e))*	74,975	76,495
Revolving bank loan, unsecured, bearing interest at prime rate or LIBOR plus 0.35% to 0.70%, maturing in 2006	33,800	—
Revolving credit facility at LIBOR plus 0.5%, unsecured, available until 2003	24,552	27,598
Revolving credit facility at base rate, maturing in 2002 *(note 11 c))*	11,700	5,110
Bank loan bearing interest at rates varying from LIBOR plus 0.625% to 2% or the U.S. base rate plus 1.50%, payable in variable semi-annual instalments with a final instalment on June 30, 2003 *(note 11 a))*	30,126	40,191
Bank loan at prime rate plus 0% to 0.5% or at the discount rate for bankers' acceptance plus 0.65% to 1.25%, maturing in 2001 *(note 11 b))*	16,500	16,500
Bank loan at prime rate plus 1.25%, payable in quarterly instalments, maturing in 2006 *(note 11 b))*	11,581	—
Bank loan at prime rate plus 1.25% or LIBOR plus 2.25%, payable in quarterly instalments, maturing in 2006 *(note 11 b))*	6,965	—

Note 11 – Continued

Construction loan convertible to revolving term facility at 5.16%, maturing in 2007 *(note 11 b) and d))*	**12,272**	11,040
Construction loan convertible to term loan, at 8.189%, payable in monthly instalments beginning in 2003 *(note 11 b))*	**9,577**	—
Loan from a partner		
At 3.61%, maturing in 2003 (NLG13,600,000)	**8,588**	9,049
Without interest or specific terms of repayment	**4,213**	6,358
Amounts due to Investissement Québec		
Interest-free amount repayable no later than October 31, 2017	**9,000**	9,000
Variable rate loan	**—**	11,930
Non-interest bearing, maturing no later than May 2008 *(note 11 b))*	**5,496**	—
Credit agreement at prime rate plus 1.625%	**—**	9,281
Other	**65,130**	50,669
	324,475	273,221
Less: Current portion	**32,500**	30,069
	291,975	243,152

a) A fixed and floating charge on all present and future assets of this joint venture as well as a general assignment of accounts receivable and inventories with a book value of $83,649,000 as at December 31, 2000 have been pledged as security for this loan.
b) Hypothecs on the universality of the assets of joint ventures with a book value of $171,177,000 as at December 31, 2000 have been pledged as security for these loans.
c) A pledge of inventories and a hypothec on accounts receivable, with a book value of $40,259,000, have been granted as security for this credit facility.
d) A joint venture has entered into interest rate swap agreements regarding the construction loan for a total amount of $10,080,000 at fixed rates of 5.45% and 5.95%, maturing from June 2002 to June 2006 inclusive.
e) This loan can be renewed for two twelve-month period at the option of the company.
f) The long-term debt denominated in U.S. dollars amounts to US$89,619,000 as at December 31, 2000 (1999 – US$101,009,000).
g) Principal repayments due within each of the next five years are as follows:

(IN THOUSANDS OF DOLLARS)	
2001	32,500
2002	30,787
2003	147,974
2004	20,229
2005	15,603

h) The fair value of the long-term debt based on discounted cash flows at market rates amounts to approximately $318,840,000 as at December 31, 2000.

12 Other long-term liabilities

(IN THOUSANDS OF DOLLARS)	***2000***	*1999*
Share subscriptions	**29,500**	—
Accrued benefit liability *(note 20)*	**11,790**	—
Non-controlling interest	**—**	3,684
Other	**4,294**	—
	45,584	3,684

13 Capital stock

Authorized – par value of $10
292,500,000 Common shares

Issued

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
127,334,018 Common shares (1999 – 107,334,018)	1,273,340	1,073,340

In 2000, the company issued 20,000,000 Common shares for a cash consideration of $200,000,000.

The company can request the shareholder to subscribe and pay for an additional 165,165,982 common shares representing an amount of $1,651,660,000 based on the company's financial needs as provided for in its annual operational plan and consistent with its five-year development plan.

14 Net change in non-cash working capital balances

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
Increase in		
Accounts receivable	(16,726)	(24,715)
Inventories	(12,294)	(20,709)
Prepaid expenses	(1,296)	(705)
Increase in		
Accounts payable and accrued liabilities	4,368	28,704
	(25,948)	(17,425)

15 Acquisitions of joint ventures and long-term investments

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
Joint ventures		
Acquisitions in the year *(note 15 a))*	17,188	—
Métaforia Divertissement inc.	—	5,639
Moli-Flex White L.P.	—	3,183
Significantly influenced companies		
Main acquisitions in the year *(note 15 a))*	27,500	—
Culinar inc.	—	140,828
Patrimoine des Eaux du Québec inc.	—	10,000
Other	12,985	17,033
Venture capital investments		
Elyps solutions de répartition inc.	17,500	13,500
CryoCath Technologies Inc.	14,500	—
UltraVision Corporation	7,285	13,000
Hillman CDT LLC	—	30,060
U|Force Inc.	—	7,600
Other	15,879	8,096
Investments, at cost		
Mining royalties	27,000	—
Other	27,433	23,217
	167,270	272,156

Note 15 – Continued

a) In 2000, the company acquired joint ventures and significantly influenced companies. The cost of acquisition net of cash and cash equivalents acquired and the goodwill resulting from the main acquisitions are presented in the following table:

			Goodwill	
	% acquired	Cost of acquisition (in thousands of dollars)	(in thousands of dollars)	Amortization period
JOINT VENTURES				
Groupe René Matériaux Composites inc.	26.25	7,500	2,028	10 years
Draxis Pharma inc.	32.05	7,400	2,082	5 years
Société de Cogénération de St-Félicien, L.P.	36.10	1,763	646	25 years
Optigaz inc.	40.00	525	466	19 years
		17,188		
SIGNIFICANTLY INFLUENCED COMPANIES				
Technologies Miranda inc.	19.02	14,000	9,083	5 years
Atrium Biotechnologies Inc.	24.55	13,500	7,920	10 years
		27,500		

b) The acquisitions in the year have been accounted for by the purchase method. The company's share of the operating results of these companies has been included in the consolidated statement of earnings from the acquisition date. Net assets acquired, excluding cash and cash equivalents, are as follows:

(IN THOUSANDS OF DOLLARS)	
Current assets	13,741
Capital assets	21,943
Goodwill	5,222
Other assets	3,122
	44,028
Current liabilities	10,672
Long-term debt	10,314
	20,986
	23,042
Portion acquired in 1999	5,854
Acquisition cost net of cash and cash equivalents acquired	17,188

16 Disposal of joint ventures and long-term investments

(IN THOUSANDS OF DOLLARS)	***2000***	*1999*
Subsidiary	—	21,077
Joint ventures *(note 16 a))*	**31,200**	15,963
Significantly influenced company	—	139,968
Venture capital investments *(note 16 b))*	**3,271**	414
Investments, at cost	**17,563**	52,966
	52,034	230,388

a) In 2000, the company disposed of its investment in a joint venture, Malette Rexfor inc., as well as a portion of 20% of its investment in another joint venture, Corus, L.P. (formerly known as Reycan L.P.). The net assets disposed of, excluding cash and cash equivalents, are as follows:

(IN THOUSANDS OF DOLLARS)	
Current assets	21,227
Capital assets	87,389
Other assets	2,764
	111,380
Current liabilities	11,400
Long-term debt	41,507
	52,907
Net assets disposed of	58,473
Gain on disposal	11,831
Total consideration received, net of disposed cash and cash equivalents	70,304
Debentures and preferred shares of Tembec inc. received as consideration	(39,104)
Net proceeds on disposal	31,200

b) In June 2000, the company disposed of a venture capital investment for a total consideration of $24,932,000 in shares of another publicly held corporation, resulting in a gain of $17,276,000. As at December 31, 2000, a provision of $16,470,000 was recorded as a permanent decline in value of this investment.

17 Financial instruments

Financial instruments, in addition to those pertaining to long-term debt (note 11), which represent an off-balance sheet risk are described hereunder.

FOREIGN CURRENCY

To reduce the impact of fluctuations in exchange rates on U.S. dollar revenue and purchases of equipment in yen, euros and Luxemburg francs, the company uses a combination of forward exchange contracts, options and currency swaps. As at December 31, 2000, the amounts relating to these financial instruments on the U.S. dollar, the yen, the euro and the Luxemburg franc amounted to US$55,900,000, ¥19,200,000, €2,566,500 and LUF81,095,000, respectively. These instruments maturing from December 2001 to 2003 had unrealized gains amounting to $729,000 as at December 31, 2000.

CREDIT RISK

The above-mentioned contracts are offset by changes in the value of the underlying items being hedged. The company may be exposed to losses if the counterparties to the above contracts fail to perform. On December 31, 2000, the company is satisfied that the risk of such non-performance is remote.

The company invests its temporary investments according to established policies in securities of major financial institutions with a high credit rating. The company is subject to economic conditions affecting the industries in which it operates. The company continually monitors its clients' credit and establishes the provision for doubtful accounts based on the credit risk evaluated for each client. Management believes that there is no significant credit risk as at December 31, 2000.

18 Joint ventures

Joint ventures of the company are accounted for using the proportionate consolidation method. The major components of the joint ventures included in these consolidated financial statements are:

(IN THOUSANDS OF DOLLARS)	2000	1999
Consolidated statement of earnings		
Revenue	538,125	568,426
Operating income	7,609	37,323
Net earnings	1,596	20,234
Consolidated balance sheet		
Current assets	198,857	190,664
Long-term assets	574,231	456,709
Current liabilities	135,651	110,517
Long-term liabilities	174,276	121,049
Consolidated statement of cash flows		
Operating activities	10,784	38,079
Investing activities	(222,463)	(73,717)
Financing activities	29,364	23,167

19 Commitments

A) FINANCIAL ASSISTANCE

A joint venture received financial assistance from the governments of Canada and Quebec totalling $25,000,000 for the years 1983 and 1984 as compensation for losses incurred during those two years. This financial assistance included clauses providing for the reimbursement of the principal (and interest for the period from January 1, 1988 to December 31, 1992), based on the profitability of the joint venture, up to a maximum of $5,000,000 per year.

In 2000, the joint venture settled its obligation with the governments of Canada and Quebec. A payment of $6,375,000 was made in November 2000 to settle the outstanding commitment of $18,172,731; this payment has been accounted for in the income statement. At December 31, 2000, the joint venture had extinguished its obligation in total, and therefore has no outstanding balance related to this commitment.

B) LONG-TERM LEASES AND COMMITMENTS

The company is committed under long-term leases and commitments to make minimum payments amounting to $43,110,000 during the next five years as follows:

(IN THOUSANDS OF DOLLARS)	
2001	10,836
2002	9,672
2003	8,526
2004	7,356
2005	6,720

In addition, the company is committed to the acquisition of capital assets and purchases of services and raw materials totalling $173,000,000 during the next years. As at December 31, 2000, the company had also committed to subscribe to long-term investments for an amount of $48,000,000.

Note 19 – Continued

C) CREDIT FACILITY

At December 31, 2000, the company has available committed lines of credit amounting to $263,000,000, which can be used for short-term or long-term financing and bear interest at prime rate or at the money market rate.

20 Employee future benefits

The company has various contributory and non-contributory defined benefit pension plans for its employees which are based on years of service and the average final earnings of the related employees. In addition, the company offers employees other post-retirement and post-employment benefits consisting mainly of group insurance plans which are not funded.

a) The following table presents the information relating to the various plans of the company as at December 31, 2000, as established by independent actuaries:

(IN THOUSANDS OF DOLLARS)	*Pension plans*	*Other plans*	*Total*
Accrued benefit obligation	40,754	9,251	50,005
Plan assets at fair value	39,906	—	39,906
Deficit – End of year	(848)	(9,251)	(10,099)
Accrued benefit asset	6,576	—	6,576
Accrued benefit liability	(2,051)	(9,739)	(11,790)
Net recorded amount	4,525	(9,739)	(5,214)
Benefit cost	2,221	958	3,180
Employer contributions	2,193	126	2,319
Employee contributions	1,207	—	1,207
Benefits paid	4,220	128	4,348

b) The weighted average actuarial assumptions used by the company as at December 31, 2000 are as follows:

	Pension plans %	*Other plans* %
Discount rate	7.00	7.00
Long-term rate of return on plan assets	7.75	—
Salary escalation rate	3.70	3.70

For measurement purposes, an annual weighted average rate of increase in the per capita cost of covered health care benefits of 9.2% was assumed for 2001. The rate was assumed to decrease gradually to reach approximately 5% in 2006 and remain at that level thereafter.

21 Comparative figures

Certain comparative figures for the year ended December 31, 1999 have been reclassified to conform with the 2000 financial statement presentation.

The following table presents the net book value of the SGF in shares, partnership units and long-term financing by accounting method used and sector of activity. Accounts of subsidiaries and joint ventures are included in the SGF's consolidated financial statements, but are recorded using the equity method for the purpose of this table.

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*
ACCOUNTING METHOD USED		
Subsidiaries (full consolidation)	**457,384**	388,499
Joint ventures (proportionate consolidation)	**464,888**	366,591
Significantly influenced companies (equity method)	**476,071**	429,713
Venture capital (fair value)	**158,717**	112,810
Other investments (at cost)	**215,789**	140,899
Total investments	**1,772,849**	1,438,512
Corporate activities	**(45,023)**	72,123
Consolidated shareholder's equity	**1,727,826**	1,510,635
SECTORS OF ACTIVITY		
Forest products	**520,136**	481,178
Metals and minerals	**514,087**	422,977
Chemicals, petrochemicals, plastics and energy	**291,991**	190,235
Agri-food	**182,174**	167,690
High technology	**128,448**	88,441
Health	**98,797**	57,962
Sectors in development	**37,216**	30,029
Total segment	**1,772,849**	1,438,512
Corporate activities	**(45,023)**	72,123
Consolidated shareholder's equity	**1,727,826**	1,510,635

(IN THOUSANDS OF DOLLARS)	*2000*	*1999*	*1998*	*1997*	*1996**
Revenue	802,419	800,641	759,535	669,129	357,212
Income (loss) before following items:	45,130	29,960	78,698	35,105	(9,696)
Gain on disposal of interest					
in Malette Rexfor	3,831	—	—	—	—
in Culinar	—	67,721	—	—	—
in Tembec	—	18,115	—	—	—
in Noverco	—	—	—	115,671	—
Income (loss) from continuing operations	48,961	115,796	78,698	150,776	(9,696)
Discontinued operations	—	—	—	—	44,198
NET EARNINGS	48,961	115,796	78,698	150,776	34,502
Total assets	2,272,689	1,955,348	1,757,435	1,588,861	883,043
Total long-term debt	324,475	273,221	355,720	307,486	203,962
Non-controlling interests	—	3,684	3,230	2,977	—
Shareholder's equity	1,727,826	1,510,635	1,245,321	1,120,056	575,466
Debt/equity ratio	16:84	15:85	22:78	21:79	26:74

* *Excludes grouping of 4 state corporations*

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President and Chief Executive Officer

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President and Chief Operating Officer
SGF Health inc.

Sylvain Bouchard
Vice-President, Development
Machinery

Jacinthe Dauphin
President and Chief Operating Officer
SGF Chemical inc.

Jean-Yves Duthel
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Communications and Public Relations

Marc Filion
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SGF Mineral inc.

Richard Fredette
Vice-President
Corporate Planning

Pierre Laflamme
President and Chief Operating Officer
SGF Tech inc.

André L'Écuyer
President and Chief Operating Officer
SGF Rexfor inc.

[illegible]
Vice-President, Development
Industrial Logistics

[illegible]

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Jean-Claude Pechère
André Roy

[illegible]

Protection of non-smokers
The SGF has taken the necessary measures to ensure a smoke-free environment for employees and visitors as prescribed by the Act respecting the protection of non-smokers in certain public spaces.

Awarding of contracts
The awarding of supply and service contracts by the SGF is subject to a formal policy, a copy of which may be obtained from the Secretary.

Code of Ethics
A new Code of Ethics was adopted by the Board of Directors of SGF on April 21, 1999, pursuant to the Regulation on the Ethical Conduct of Public Administrators. A copy of the Code may be obtained from the Secretary.

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Québec

Review of activities

The Société générale de financement du Quebec (the SGF) is pleased to present positive results for the 2000 fiscal period. The year's initiatives, achievements and projects in its ten sectors of activity have both reinforced the SGF's contribution to Quebec's economic development and established a solid foundation for the new fiscal year.

At December 31, 2000, the SGF had vastly exceeded its investment forecasts for the year, while remaining on course in realizing the objectives defined in its 1998-2002 development plan.

One of the parameters used in measuring the SGF's accomplishments – the size of its investments – is particularly significant. During the year 2000, 98% of the SGF's investments were directed to projects of more than $10M, for an average investment of $70M.

Given their scope, these projects distinguish themselves either in the extent they contribute to the solidity of various sectors of the Quebec economy or in their contribution to the balance of trade through exports. By actively participating in the realization of these projects, the SGF has reinforced the unique role it plays in Quebec's economic development.

For investments of less than $10M made during the year, the SGF ensured it respected its obligation to support the missions of SGF Soquia, in the agri-food sector, and SGF Rexfor, in the forest products sector. These subsidiaries are committed to initiatives that include the development of transformation projects focusing on innovation and the use of under-exploited raw materials available on the Quebec market.

Business partnerships are an integral part of the SGF's mission statement. The 2000 fiscal period was particularly active in this respect, with the company establishing solid business relationships with 15 new foreign partners. This brings the total to 53 international partnerships the SGF now maintains in Canada, the United States and around the world.

Forest products

During the 2000 fiscal period, the SGF approved nine projects in the forest products sector representing a total of almost $93M [illegible] investments, with the SGF's contribution totalling more than $[illegible]. These projects are expected to create [illegible] direct and indirect jobs as well as 470 jobs in equivalent person-years during the construction phase.

Near the end of the 2000 fiscal period, SGF Rexfor, a wholly-owned subsidiary of the SGF, invested $7.5M in share capital to partner with Elcorsy Technology for the development, manufacturing and marketing of a four-colour dynamic digital press using the new Elcography® technology, which was invented in Quebec.

The project represents a $31.0M investment and will lead to the creation of 125 technical jobs in Ville Saint-Laurent. The partners are also confident that it will help position Quebec solidly in the printing equipment sector.

Construction of the Concert Airlaid plant in Gatineau – an investment of $130M, $25M of which is being invested by the SGF – began in the spring of 2000. It is scheduled to begin operations before the summer of 2001 and SGF Rexfor and partner Concert Industries forecast that 200 direct and indirect jobs will result.

Sacopan, a plant manufacturing moulded wood fibre door panels used in door coverings, is currently in the start-up phase. The construction will be completed within the planned budget of $61.5M, with marketing beginning in 2001. SGF Rexfor and partner Boisaco of Sacré-Cœur each invested $11.5M in the project in 1999.

The SGF subsidiary also concluded an agreement during the year to invest $800,000 in Pan-O-Starr, a composite board plant serving the furniture and kitchen cabinet industry. The project represents an investment of close to $8M and will create 125 direct and indirect jobs in Saguenay-Lac-Saint-Jean.

To bolster economic activity in the Portneuf area, SGF Rexfor invested $4.7M in J. Ford, a paper manufacturer currently employing 155 people and specializing in products made from pulp and paper waste. A total investment of $23.7M will allow the company to produce value-added products and develop the associated technology and skills.

In 2000, SGF Rexfor signed 20 MOUs representing potential investments of $809M and entered the 2001 fiscal year with 15 agreements in principle valued at $1.3 billion.

Metals and minerals

Seven projects in the SGF's Metals and minerals sector were approved during the 2000 fiscal period. Investments totalled $xxxM, of which the SGF contributed $xxM. Two thousand direct and indirect jobs are linked to these projects as well as the equivalent of x,100 person-years during the construction phase.

During the year 2000, development began on a project to construct a plant to produce aluminium automobile suspension components. The SGF is partnering in the effort with Raufoss Group of Norway, a world leader in the automobile components domain. The investment, worth $60M, will see construction of manufacturing facilities in Quebec. General Motors is also involved in the project having awarded a contract to the new plant to manufacture parts for use in future GM vehicles.

The SGF maintains a 20% stake in the new plant, which will provide approximately 60 high-level jobs and contribute to strengthening Quebec's leadership position in lightweight materials.

In the first quarter of 2000, SGF Mineral concluded an agreement to sell 20% of its interest in Reycan to Corus Group plc, a major supplier to the North American automobile industry with facilities in Quebec and Ontario. The SGF joint venture retained a 40% stake in Corus, produits d'aluminium laminé, and focused in 2000 on organizational efficiency, product specialization and cost reduction. Reycan's Cap-de-la-Madeleine rolling mill has already begun to benefit from this investment of $64M.

In February 2000, the SGF announced it had concluded agreements that would see Mining Italiana SpA acquire three businesses held by Soquem, a wholly owned subsidiary of SGF Mineral. Mining Italiana is an Italian mining and mineral development company and member of the ENI Group. These agreements involve investments of $10.4M.

In 1999, KPM SpA, another Italian partner, had joined with the SGF to create KPM North America, a corporation specializing in the manufacturing, assembly and distribution of pneumatic products used in the machinery, automobile, agri-food, textile and wood transformation industries. During 2000, KPM North America completed work on its new production facilities in Ville d'Anjou and recorded its first sales in October 2000. The SGF holds a 49% interest in the company, which represents an investment of $14M.

Within the aluminium transformation sector, IntrAl, a subsidiary of the Sural Group of Venezuela and the SGF, completed a project to expand and modernize its facilities in Princeville. As a result, the company will be able to increase its aluminium-clad steel wire production by 50% and develop new high-precision aluminium products. The plant will now produce two products: aluminium-clad steel wire and aluminium extrusions. This project translates into a $16M investment and some 20 new jobs, bringing the number of IntrAl employees to more than 50.

The Magnola magnesium production plant began operations in July 2000 and sold its first ingots to Europe and Japan. Significant improvements to procedures and equipment are continually being implemented to ensure the highest quality metal is produced. A considerable amount of money has also been budgeted to maintain a safe and healthy work environment.

In 2000, Neuman Aluminium Canada inaugurated its second furnace and a press to manufacture aluminium alloy extrusion discs for the automobile sector. More than 30% of its operations involve alloy discs, with the remainder dedicated to producing specialized packaging products. By the end of the year, the plant had reached its targeted performance.

The Société de développement du magnésium (SDM) concluded 2000 with the acquisition of Modelex, creating enhanced synergy with its subsidiary Intermag. The amalgamation of these companies, which also includes Performag, a subsidiary of EDC Inc. (in which SDM holds an interest), brings an integrated solution to the structural magnesium applications markets – transportation, automobiles, electronics and telecommunications.

SOQUEM

Despite a challenging year for the mineral resources sector, in 2000 Soquem Inc. invested $6.5M in exploration projects and $34M in mining development. This subsidiary of SGF Mineral is principally involved in the exploration of precious metals, base metals and diamonds.

In the final quarter of 2000, Soquem partnered with Baskaton Quartz Inc., investing $4.9M to create Sitec, a limited partnership, silicon processing company with operations mainly in La Malbaie and Shawinigan. Soquem also acquired a royalty in Jeffrey Mine Inc., located in Asbestos, for $15M.

During the summer of 2000, Soquem also acquired a royalty on the gold production of the Sigma-Lamaque complex held and managed by McWatters Mines of Montreal. This transaction of $12M was accompanied by an investment of $1.0M in McWatters Mines.

In 2000, the Metals and minerals sector signed 17 MOUs for potential investments of $1.2 billion, and at December 31, its portfolio consisted of 26 prospective projects representing forecasted investments of $3.1 billion.

Chemicals, petrochemicals, plastics and energy

At the end of the 2000 fiscal period, the SGF had approved seven projects in the chemical, petrochemical, plastics and energy sectors, investments totalling more than $1 billion. SGF Chemical's contribution to these projects stood at $225M. These investments led to the creation of 3,900 direct and indirect jobs and to 2,300 person-years during construction phases.

The achievements realized in this sector during 2000 amply demonstrate the SGF's determination to fulfill its mission and effectively participate in the economic development of Quebec.

PETROCHEMICALS

Without question, the Coastal association and the Interquisa Canada project, the construction of which was announced at the beginning of the 2001 fiscal year, constitute the most impressive accomplishments of SGF Chemical in the year 2000. Both achievements come as the result of sustained and dedicated efforts that have spanned a number of years.

SGF Chemical and Interquisa, a subsidiary of the CEPSA Group (Spain), will partner to construct a purified terephthalic acid production plant in east Montreal's industrial sector, an investment totalling $700M.

SGF Chemical is also joining a U.S. firm, El Paso Corporation, to invest more than $200M in the relaunch of the Pétrochimie Coastal paraxylene plant, also located in east Montreal.

The formation of Interquisa Canada will lead to more than 5,000 direct and indirect jobs or the equivalent person-years during construction of the plant. Once in operation, the two projects, which are closely linked with respect to provisioning, will create 2,600 direct and indirect jobs. SGF Chemical will retain a 49% interest in the two companies.

During 2000, Dow Chemical bought back its 50% share in Pétromont from Union Carbide. Its 20-year partnership with Union Carbide allowed Pétromont to position itself well in the resin market. The SGF is looking forward to continuing to successfully develop the company with its new partner.

CHEMICALS

Another major project was approved in 2000, when SGF Chemical and Commercial Alcohols Inc. (CAI) announced an investment of $100M for the construction of an ethanol plant in Varennes. The plant, which is scheduled to begin operations in the first quarter of 2002, will employ approximately 50 people. The agreement allows SGF Chemical, which will invest $25M in CAI, to pursue its strategy of developing the chemical bioconversion sector and promoting the establishment of associated businesses in Quebec.

PLASTICS

During the period, SGF Chemical acquired an interest in Vézina Composites, a company specialized in developing and producing highly engineered composite material parts. As a result of technological expertise developed in Quebec, the reinforced plastics will pave the way to the substitution of numerous products traditionally made of steel, cast iron, cement or wood. The SGF's investment of $2.5M was made as an integral part of the company's development plan.

SOQUIP ENERGY

In 2000, Soquip Energy, an affiliate of SGF Chemical, announced it will participate with CHI Canada (a subsidiary of CHI Energy) in the acquisition of the Optigaz cogeneration plant in Kirkland. Soquip Energy will hold a 40% interest in the company. Soquip Energy is expanding its energy portfolio and pursuing its strategy to develop alternative energies such as biomass, biogas, wind, solar and fuel cells.

During 2000, the SGF subsidiary also invested in the Enerkem Technologies demonstration project in Sherbrooke to promote the implementation of a gasification plant in order to transform domestic waste into synthetic gas.

The SGF's chemical, petrochemical, plastics and energy sector began 2001 with a portfolio of 15 new agreements in principle, representing total potential investments of more than $1 billion.

Machinery

The machinery sector signed [illegible] during 2000, representing potential investments of [illegible].

As the result of an agreement between the SGF and Turbocorp B.V. in June 1999, Turbocor established its headquarters in Dorval during the 2000 fiscal period. The company will use the new facility to conduct research and development activities and produce centrifugal compressors for the air-conditioning industry.

At December 31, 2000, Turbocor employed more than 30 people in product development, engineering and marketing. Production activities will begin in the summer of 2001. The SGF has a 42% interest in Turbocor.

Health

SGF Health committed to investing $14.5M in CryoCath Technologies, a company specializing in the design, manufacture and sale of cryogenic ablation catheter systems for the treatment of heart disease and particularly cardiac arrhythmia. The first round of financing totalled $28.2M, with the SGF contributing $9.5M.

CryoCath Technologies completed an initial public offering during the period, which will allow research to be completed and a marketing plan to be established for two new leading-edge technology products. Some 150 jobs will be created over a two-year period as a result of the project.

At the end of 2000, SGF Health announced an investment of up to $6M in PROCREA BioSciences, a private biotechnology centre, to finance endometriosis and genomics research and development projects. This investment will allow the company to accelerate the development of an applied research program and begin marketing innovative technologies used in diagnosing endometriosis, a debilitating disease affecting thousands of women worldwide. This is SGF Health's first investment in human genomics, a sector with high growth potential.

In an effort to increase its project portfolio, SGF Health also committed $10M to the new GeneChem Therapeutics fund, established to attract investments in the fight against cancer and infectious diseases.

SGF Health participated in second-round financing for Theratechnologies, reinvesting $6.3M to accelerate the development of two key products, the Th-GRF and PDT, both of which showed promising results during 2000.

SGF Health also invested $800,000, the first round of a maximum authorized investment of $4M, in BioArtificial Gel Technologies, a fledgling company that developed an ultra moisturizer with a plant protein base. The product's physicochemical qualities are highly effective in cosmetic, skin and tissue repair products.

In June 2000, the SGF and partner DRAXIS Pharma began construction of a new lyophilization production line at the company's plant in Kirkland. The new line is scheduled to begin operation in the first quarter of 2002. In 1999, the SGF had acquired a minority interest (31.9%) in DRAXIS Pharma, a contract manufacturer of pharmaceutical products supplying many large pharmaceutical companies in Canada, the U.S. and around the world.

Towards the end of the 2000 fiscal year, SGF Health and its partners officially opened the UltraVision plant in Saint-Hubert. The company designs, manufactures and sells high-quality eye care products and is one of the few plants in the world producing moulded lenses. SGF Health's investment of more than $20M will contribute to maximizing UltraVision's growth potential, most particularly in the contact lens market, and help Quebec become a leader in this high technology sector.

High technology

In June 2000, SGF Tech announced that it would invest $14M to allow Miranda Technologies, a major supplier of digital imaging solutions based in Ville Saint-Laurent, to make acquisitions to increase its presence in the U.S. Through its support, the SGF is assisting Miranda to become an industry leader and Montreal to position itself as a centre of excellence in the video industry.

In the multimedia sector, at the beginning of the 2000 fiscal period SGF Tech announced an investment of $15M in Hemera Technologies, a company producing and selling object image collections and graphics software used by graphics professionals. The company, headquartered in Hull, is on its way to becoming a world leader in digital images with its recent acquisition of Corel Studio and GraphicCorp.

During the year, SGF Tech also reinvested in companies in its portfolio, demonstrating its commitment to support its partners' growth. Companies included Domosys, Elyps, Goal Electronics and NSI Communications. In the latter case, a $20M investment by SGF Tech allowed NSI to acquire Vistar, a company specializing in satellite and hybrid satellite as well as terrestrial wireless data products and services.

The year 2000 also saw the beginning of construction of the Circuit Foil America plant in Granby, which will produce thin copper foil sheeting. The new company, a SGF and Circuit Foil Luxembourg partnership, will create 300 direct and indirect jobs once in operation. Production is scheduled to begin in the fall of 2001.

In May 2000, U|Force, which provides interactive telephony and telecommunications services, announced a merger with Netergy Networks, an integrated IP-based telephony solutions provider. SGF Tech holds a 6% interest in Netergy Networks.

In addition, significant efforts were made developing and supporting the electronic materials and parts sectors, such as those involved in semi-conductors and flat screen display technologies; optics and photonics; wireless and broadband telecommunications; multimedia; and electronic commerce. At December 31, 2000, SGF Tech's portfolio consisted of eight new agreements in principle for a total investment potential of $340M.

Strategic American investors have already shown interest in the concept developed by this Quebec company.

The SGF intends to position itself as a key partner in the recreational tourism sector and promote the development of major attractions to bolster urban tourism as well as nature tourism attractions along the Saint Lawrence corridor.

Agri-food

Already a recognized leader in Quebec's agri-food industry, SGF Soquia once again distinguished itself in 2000 when it participated in the launch of a Canadian investment fund devoted to the creation and start-up of advanced agricultural technology ventures in the biofood sector.

Foragen Technologies represents a $42M investment shared equally between SGF Soquia, Royal Bank Ventures Inc. and the Government of Saskatchewan through the Saskatchewan Opportunities Corporation and the Crown Investments Corporation of Saskatchewan. Foragen's mandate is to promote new ventures by offering seed capital, technology management advice and networking opportunities to entrepreneurs developing biofood technologies.

For SGF Soquia, Foragen represents both an exceptional opportunity to enrich SGF Soquia's business prospect pipeline and a gateway to markets where leading-edge technology applications in the biofood sector are enjoying tremendous growth.

During the year, the SGF subsidiary invested $6.5M in Atrium Biotechnologies, a division of Æterna Laboratories that manufactures and sells active ingredients for the cosmetics and nutrition industry. The investment will assist funding of acquisitions of new technologies or companies in this industry.

SGF Soquia also partnered with Internova on a $9.3M project to open a cereal-based beverage plant. The plant will produce high-quality biological beverages for health-conscious consumers.

In 2000, SGF Soquia also focused on a project that was confirmed in January 2001 with an investment of $1M in Les Aliments Croc'Dor. The company, based in Vaudreuil-Dorion, develops and sells innovative, high-quality grain-based products. The SGF Soquia convertible debenture investment will allow Les Aliments Croc'Dor to increase its soybean snack production capacity from 1,000 to 2,500 tons per year.

In the spring of 2000, the SGF announced it would invest $7.5M in Groupe René Matériaux Composites, a company manufacturing composite material bodies for heavy-duty trucks. The industry nevertheless witnessed a difficult year, but recent consolidation measures taken by Groupe René will allow the company to position itself well in this market.

During 2000, the industrial logistics sector actively participated in the development of the Technovision study, undertaken by the City of Montreal and carried out by Deloitte, Touche. The study evaluated the positioning of the Greater Montreal Region as a key e-commerce logistics hub.

As a member of the board of directors of the Mirabel commercial zone, the SGF's industrial logistics division is also targeting an investment in this Quebec customs free zone.